

U.S. Vatican Envoy Won't Participate In Waldheim Events

ROME — The United States said Monday that the head of its diplomatic mission to the Vatican would not attend any ceremonies connected with the visit there Thursday of President Kurt Waldheim of Austria.

Earlier Monday, the Austrian government named a retired Swiss professor to head an international commission to investigate Mr. Waldheim's past as a Nazi officer, as criticism of his scheduled meeting with Pope John Paul II increased.

The Arab League and the Palestine Liberation Organization, in statements in Rome, condemned Israeli and Jewish criticism of the pope's decision to meet Mr. Waldheim.

Austria has protested the Israeli condemnation of the visit as "interference" in its affairs.

Prime Minister Yitzhak Shamir of Israel said Sunday that the pope's decision to grant an audience to Mr. Waldheim would serve

to legitimize the Austrian president's alleged war crimes.

The United States was reported by Jewish sources to have ordered its representative to the Vatican to boycott events involving Mr. Waldheim's visit to the Holy See.

In Rome, a spokesman for the U.S. diplomatic mission to the Vatican told Reuters that the U.S. representative to the Vatican, Frank Shakespeare, would be out of town on Thursday. The spokesman said the mission would be represented by its acting chief.

Meanwhile, a grouping of five associations of Italian former resistance fighters and victims of Nazism criticized the pope's decision to meet with Mr. Waldheim.

"It cannot and must not be forgotten that a heavy shadow continues to bear down on the figure of Kurt Waldheim regarding his past as an officer in the German Army," the associations said.

Jewish groups have charged that Mr. Waldheim, a former UN secretary-general, covered up a wartime past in which he acted as a senior intelligence officer for German Army units in the Balkans involved in the deportation of thousands of Greeks, Yugoslavs and Jews.

The United States has placed Mr. Waldheim on its "watch list" of persons barred from the country because of alleged criminal activities in World War II.

In Vienna, Foreign Minister Alois Mock of Austria said that Hans Rudolf Kurr, 72, had agreed to head the commission to investigate Mr. Waldheim's past.

Mr. Kurr, who taught military history at the University of Bern, said in Bern that he hoped to select commission members from Yugoslavia, Greece, West Germany, Belgium, Britain, the United States and Israel. He declined to give any names. But he told Swiss radio that a prominent high-ranking Israeli officer would be invited to join.

Mhanna Dura, head of the Arab League mission in Rome, described criticism of Mr. Waldheim's visit as "racist" and said it was characterized by "evident confusion between religion and politics."

American Jewish leaders called on Friday for an urgent meeting with the pope to discuss the invitation to Mr. Waldheim and held out the prospect of not meeting with the pontiff when he visits the United States in September. John Paul is scheduled to meet with Jewish leaders in Miami.



U.S. Asserts That Dispute on Pershings in West Germany Delays Arms Pact

Max M. Kampelman, left, the chief U.S. arms control negotiator, said Monday that the dispute over the 72 Pershing-1A missiles in West Germany whose warheads are under U.S. control was delaying an agreement on controlling medium and short-range missiles. The others with Mr. Kampelman at the Geneva talks are, from left, Senator J. Bennett Johnston, Democrat of Louisiana, Yuli M. Vorontsov, the Soviet Union's chief negotiator, and Senator Claiborne Pell, Democrat of Rhode Island.

Islam at Center of Ferment in Tunisia

By Alan Cowell
New York Times Service

TUNIS — Faced with a surge of fundamentalist dissent, Tunisian officials have been charging that "Khomeini-ism" is being used to incite violence and chaos in the country.

In the second week in June, the police used tear gas and riot sticks to disperse several hundred fundamentalists demonstrating in central Tunis against the detention of their comrades in the worst crackdown since 1981.

Prime Minister Rachid Star said in an interview that "the mosques, some of them, had become places of subversion" before the government's action, which included the jailing of Rachid Ghannouchi, the head of the Islamic Tendency Movement, the leading fundamentalist group.

Estimates of the number of people detained range from 250 to 2,000, and the arrests continue.

The country's state-sponsored newspapers — all others are suspended or closed — carried reports Sunday of new arrests of what were called "Khomeini-ists" after the Ayatollah Ruhollah Khomeini, Iran's revolutionary leader. The reports did not say how many people had been detained in two roundups of purported subversives or when they were arrested.

The newspapers also carried photographs of three shotguns with cartridges, dynamite stolen from a quarry, American Winchester ammunition-loading kits with gunpowder, gasoline bombs and other crude devices such as a bicycle chain, spikes to puncture automobile tires and what was described as a homemade bomb.

The munitions were said to have been discovered buried under a tree near Tunis. The display was designed to lend support to the theory that this Arab land of seven million Muslims, sandwiched between the more militant ideologies of Libya and Algeria, is threatened by a huge Iranian-backed conspiracy.

Lebanese Said to Reject Being Freed

By Ihsan A. Hijazi
New York Times Service

BEIRUT — Ali Ousseiran, a Lebanese businessman, has rejected his captors' offer of freedom unless his kidnapped companion, an American journalist, is also freed, sources in the Muslim Shiite community said Monday.

The sources said that the journalist, Charles Glass, had been moved to a separate location, while Mr. Ousseiran and his chauffeur, Souleiman Salameh, remained captive in a house in the predominantly Shiite southern suburb of Beirut.

The sources said they had heard but could not confirm that Mr. Glass had been turned over to Iranian Revolutionary Guards for interrogation.

Mr. Glass, 36, a former correspondent for ABC News, was a guest of the Ousseiran family after he crossed into Muslim West Beirut from the Christian East only a few days before his June 17 kidnapping. He was researching a book about Lebanon's influential clans.

Mr. Ousseiran, 40, is the son of Lebanon's defense minister, Adel Ousseiran, a senior member of the Shiite community.

All Ousseiran and Mr. Glass were driving in the southern seaside suburb of Ouzai when they were intercepted by gunmen in three cars. Witnesses said the bearded gunman appeared interested only in the American but that Mr. Ousseiran and his chauffeur, who doubled as a bodyguard, insisted on going along if Mr. Glass was taken.

Shiite sources said they were fairly certain Mr. Ousseiran would be freed soon. But they added that they doubted Mr. Glass would be freed.

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Kiosk

3 Are Sentenced In San Juan Fire

SAN JUAN, Puerto Rico (AP) — Three former hotel employees who pleaded guilty to arson in the New Year's Eve fire that killed 97 at the Dupont Plaza Hotel were sentenced Monday to prison terms ranging from 75 to 99 years, substantially longer than prosecutors had asked.

"I don't think Puerto Rico is willing to accept one more murder, one more shipment of drugs, one more terrorist act," said Federal Judge Jose A. Fuste before passing sentence. "We are fed up."



Scott Simpson after sinking a birdie putt as he put together a victory in the U.S. Open golf tournament. Page 21.

GENERAL NEWS

U.S. Democratic candidates are reaching a consensus on the party's 1988 agenda. Page 3.

Technology Quarterly

The limits of human endurance in space, innovations on the assembly line, the latest in home electronics — in the first Technology Quarterly, Pages 9-14.

Dow close: UP 24.66

The dollar in New York: DM 2 Yen FF 1.847 1.5875 146.20 6.1563

Rehnquist Court: Justice Brennan's 'Finest Hour'

By Al Kamen
Washington Post Service

WASHINGTON — The first year of the Rehnquist Supreme Court is turning out to be, in the words of one chastened conservative, "Bill Brennan's finest hour."

As the 1986-87 term draws to a close, with 90 percent of the cases decided, including the most controversial ones before the court this year, the liberal justices have prevailed in all but two major cases.

The moderate-liberal coalition, led by Justice William J. Brennan Jr., has written majority opinions involving affirmative action, pregnancy leave, asylum for political refugees, teaching of creationism in the public schools and discrimination against workers with communicable diseases such as AIDS.

The conservative wing, supposedly bolstered by the elevation of

William H. Rehnquist to chief justice and the addition of Antonin Scalia, has managed to win significant victories only in the area of its traditional strength, criminal law. The court upheld the constitutionality of the death penalty in two cases, about executing mentally retarded murderers. Page 3.

Justice Lewis F. Powell Jr. is the pivotal vote and, according to Mr. Brennan, "Brennan has gotten Powell's vote on the big ones."

The chief justice, when in the majority, decides who will write the opinion. When the chief justice is in dissent, the most senior justice in the majority assigns the opinion.

"Rehnquist has been inept with regard to court politics," he added, saying that the chief justice "has played his hand so poorly I can't see him pulling together a coalition."

The court this term has issued far fewer splintered opinions, Mr. Brennan said, and they have been clearer and shorter. He believes this means that Justice Brennan has been able to force majorities without sacrifice to consent.

"He has been getting five solid votes," said Mr. Brennan. "That makes the law a little more coherent and stable," but not along the lines conservatives would prefer.

Laurence H. Tribe of Harvard Law School, a liberal, agrees with Mr. Brennan.

"It looks more like a Brennan court than a Rehnquist court," Mr. Tribe said. "It is quite clear

A Stillness Lingers in Chernobyl

By Celestine Bohlen
Washington Post Service

CHERNOBYL, U.S.S.R. — Less than a mile from the Chernobyl nuclear power plant stands a dead forest. Where there were once more than 70 acres of pine trees, now there are only spindly trunks, stumps of needles, tinged a strange rust color.

The "red-headed forest," as it has been nicknamed, extends north of reactor No. 4, which blew open in an explosion in the early morning of April 26, 1986.

"Pine trees are especially sensitive to radiation," said Alexander Kovalev, information chief for operations in the 18-mile (29-kilometer) contaminated zone that rings Chernobyl. "They can withstand no more than a man can."

In the shadow of the now entombed reactor, Soviet Army reservists have been working to decontaminate the forest; they rip up and bury trees, and plant grass.

Still, 14 months later, hundreds of shriveled trees remain, testament to the deadly damage wrought by the nuclear power industry's most devastating accident.

In human terms, the accident has been officially documented: 31 dead, 237 initially hospitalized with acute radiation sickness, 135,000 people evacuated from towns and villages in the contaminated zone that extends from the Ukraine into the Belorussian republic.

Soviet experts agree that thousands of deaths will occur over generations because of the lingering effects of radiation. How many, nobody knows.

But while specialists dispute the future consequences of Chernobyl, the place itself is indelibly marked.

Fred Astaire, a Paragon Among Dancers, Is Dead

The Associated Press

LOS ANGELES — Fred Astaire, 88, whose debonair elegance and flowing, graceful style made him the most acclaimed dancer in movie history, died Monday of pneumonia in Los Angeles.

Topper, Cane, Charm

By Richard F. Shepard
New York Times Service

Mr. Astaire danced his way into the heart of America during the Depression. His deceptively easy light-footedness, warm smile, top hat, cane, charm and talent made people forget the harsh world outside the movie house.

A performer on stage, screen and television for more than six decades, Mr. Astaire starred in more than 30 film musicals between 1933 and 1968. Eleven of these co-starred Ginger Rogers, his most durable dancing partner.

"Time," "Follow the Fleet," "Easter Parade" and "Blue Skies."

He danced with Rita Hayworth atop a wedding cake ("You'll Never Get Rich," 1941), glided on roller skates ("Shall We Dance?" 1937), danced while hitting golf balls off a tee ("Carefree," 1938) and danced up the walls and on the ceiling ("The Belle of New York," 1952). He danced floating in space, on ships and in countless ballrooms where he glided flawlessly across open spaces.

He was popular, this thin, sandy-haired man, 5 feet 9 inches tall, who fretted and sweated off-camera and offstage to make his dance come across with a fresh spontaneity that few could equal.



Fred Astaire performing a dance routine on skates in 1937.

Airports Fear Solicitation Abuses

After U.S. Ruling, Ersatz Priests Collar Travelers Legally

By Robert Lindsey
New York Times Service

LOS ANGELES — Wearing a black suit and clerical collar, James Wright stands daily near an escalator at Los Angeles International Airport, and on a good day he collects \$150 or more in the cigar box he extends to passengers.

Mr. Wright is not a priest, but he wears a small badge identifying himself as a minister of the Universal Life Church, a mail-order organization in Modesto, California, that issues "ordinations" in exchange for a contribution of a dollar or two. For \$5, the organization confers sainthood by mail.

Mail-order ministers, some of them recruited on Skid Row, have recently joined others who ask passengers for money at airports around the nation. Airport officials say these people are the latest manifestation of a problem that has frustrated them for a decade and is likely to worsen in the aftermath of a recent decision by the United States Supreme Court.

The court unanimously struck down a ban on such solicitation imposed by the Los Angeles Board of Airport Commissioners, which had ruled that the airport was "not open for First Amendment activities by any individual or entity."

Jews for Jesus, which distributes pamphlets at many U.S. airports, challenged the law as a violation of

the First Amendment's guarantees of freedom of religion and expression.

The court declared that the regulation was unconstitutional because it did not affect lower court rulings allowing airports to impose limited restrictions on the location, time and manner of soliciting by religious groups.

The Supreme Court, however, did not address another constitutional issue in the case, a contention by Los Angeles officials that airport terminals should not be regarded as conventional public forums but as specialized places, like government buildings or military bases, where it is reasonable to impose certain limits on expression.

"The basic issue is still undecided," said Arthur P. Berg, a lawyer for the Port Authority of New York and New Jersey, operator of the New York region's three largest airports. "Now there'll have to be another case to decide the 'public forum' issue."

Many airport executives say that since the late 1970s solicitors for some religious and quasi-religious groups have extracted millions of dollars from passengers, especially members of the armed services, the elderly and travelers who do not speak English. Their methods include high-pressure approaches, misleading claims and short-changing.

Restrictions have been placed on solicitors at some airports. In Atlanta, for example, they must stay in booths just beyond the path of passengers. But airport officials say that the First Amendment hampers them in trying to halt the cheating of passengers and other abuses.

"The problem we have is that it's very difficult to investigate a religion, and it's very difficult to take action against a religion," said James Kapel, an assistant city attorney for Los Angeles, who represented the airport in the Supreme Court case.

In the past, officials say, the organizations with the largest number of such solicitors have been the

"A guy dressed like a priest in a busy place like an airport can take in \$100, \$150 a day."

— James Bradford,
United Mission Church

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As U.S. Companies Leave South Africa, Divestment Efforts Are Shifted Worldwide

By Mark Porcs
Washington Post Service

WASHINGTON — Opponents of the apartheid policies of South Africa, who have been making headway in their efforts to get companies from the United States to withdraw from that country, now are turning their sights to a much tougher target: companies from other nations with holdings there.

"My anticipation is that there will be a new focus on all companies in South Africa as the American withdrawal becomes more pronounced," said the Reverend Leon Sullivan, the Philadelphia minister who has been a leader in the efforts to reduce American corporate involvement in South Africa.

Tim Smith, director of the Interfaith Center on Corporate Responsibility, said the movement was already "well under way" internationally. His group, based in New York, is involved in efforts to induce American companies to divest their South African operations.

The broadening of the efforts to put economic pressure on South

Africa to end its apartheid policies comes as Mr. Sullivan has taken his hardest line yet on the issue.

He is the author of a set of guidelines, known as the Sullivan Principles, that called for American companies operating in South Africa to maximize opportunities for blacks and to oppose apartheid in other ways.

But now he says the doctrine is not working. Two weeks ago he called for the complete withdrawal of American companies from South Africa.

Last week Citicorp, Ford Motor Co. and ITT Corp. announced plans to end their involvement in South Africa.

That makes nearly 150 American companies that have either left South Africa or have announced plans to do so since 1984, including 39 this year, according to the Investor Responsibility Research Center in Washington.

Many of the companies said they decided to leave for economic or strategic reasons rather than because of pressure from anti-apartheid activists.



'My anticipation is that there will be a new focus on all companies in South Africa as the American withdrawal becomes more pronounced.'

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The three corporations that pulled out last week said their decisions had nothing to do with Mr. Sullivan's change of position. They said they made their decisions based on the deteriorating

state of the South African economy, which has all but destroyed the profitability of many American enterprises there.

Still, nearly 200 major American companies remain in South Africa, led by Mobil Corp., which has more than 3,000 employees there.

Most of these companies say they believe they can force South Africa to change its apartheid policies by working within the system.

But the remaining American-owned operations in South Africa are dwarfed in size by the investments of companies from other nations.

According to a new report by the Investor Responsibility Research Center, 254 foreign companies have direct investments or employ more than 22,000 South African employees. Courtbauds PLC, a British paper and textile company with 14,260 workers there, and Royal Dutch Petroleum Co., with 8,160 employees in South Africa, which some experts believe to be the largest foreign investment there.

Other well-known companies with major holdings include West Germany's Volkswagen, Daimler-

Benz and BMW automobile companies; British Petroleum; Switzerland's Nestle S.A.; and Unilever Group, the Dutch-British consumer goods conglomerate.

Japanese companies also are key players in the South African market. They operate primarily through joint ventures or distributorships.

Anti-apartheid activists are focusing on the Japanese companies in part by appealing to their sense of honor.

"I think the Japanese companies are actually quite sensitive to their position," said Mr. Smith of the Interfaith Center on Corporate Responsibility.

Anti-apartheid activists in the United States have pressured American companies doing business in South Africa by proposing stockholder resolutions urging institutional investors to sell their stock in companies with South African ties; and lobbying for the enactment of laws banning state and municipal government investments in or contracts with companies with South African holdings.

Pressuring companies from other nations, however, is much more difficult.

Only 36 companies from other nations have pulled out of South Africa since 1984, according to the Investor Responsibility Research Center report.

Operating under different corporate rules than those of American companies, companies from other nations are less sensitive to outside pressures.

"We've had the shareholder pressure here that I don't think they've had overseas," said Alison Cooper, an analyst for the Investor Responsibility Research Center.

Mr. Sullivan said of the foreign companies: "They don't have the stock accountability. They don't have the kind of municipal and state action that can be brought to bear that we have."

Royal Dutch Petroleum, for instance, refused requests this year to introduce shareholders' resolutions at its annual meeting requesting that the company pull out of South Africa.

So activists are trying another gambit. They are using a Dutch law requiring that a special shareholders' meeting be called to discuss an issue if 10 percent of the shareholders request it.

Mr. Smith said that institutional and church investors holding 5 percent of the company's stock already support such a request.

In addition, anti-apartheid activists and union leaders are attempting to mount a U.S. boycott of products sold by Shell Oil Co., Royal Dutch's American subsidiary.

But Mr. Sullivan believes it may take more than those tactics to persuade other foreign companies to leave South Africa.

He is calling for congressional action to put trade sanctions on the nations in which these companies are based.

Some activists believe that the influence of large American companies that have pulled out of South Africa will exert pressure on companies from other nations, as well as on the American companies that remain there.

Africa's New Threat: A 'Financial Famine'

By James Brooke
New York Times Service

ABUJA, Nigeria — Africa, still recovering from the famine of 1983-85, is now grappling with an equally damaging "financial famine," African economists say.

Ballooning debt payments, slumping commodity prices and dwindling foreign investment have combined to make the impoverished continent an exporter of capital, said Adebayo Adedeji, a Nigerian who is executive secretary of the United Nations Economic Commission for Africa.

The commission organized a conference in Nigeria last week to take stock of Africa's economic health a year after the United Nations brokered an African development pact.

In return for more Western aid, African nations had agreed to try open-market policies.

By last week, 25 of the 45 black-ruled nations of sub-Saharan Africa had met the UN guidelines. These included cutting state bureaucracies, paying farmers fairer prices and setting realistic exchange rates.

But the conference highlighted the fragility of sub-Saharan Africa — a huge, diverse area of 460 million people that has an overall gross national product smaller than Spain's.

Harsh economic winds are blowing across the continent, causing "financial famine," said Adebayo Adedeji, director general of the African Center for Monetary Studies. The center is financed by the central banks of 45 African countries.

Mr. Adedeji and other economists cited these recent setbacks:

- Payments on Africa's foreign debt, now about \$95 billion, jumped to \$14 billion in 1986, from \$3 billion in 1983.
- African export revenues fell 29 percent in 1986, to \$45 billion, from \$64 billion in 1985. It was the sharpest drop since 1950.
- Commercial bank flows dropped to \$1.1 billion in 1986, from about \$3.5 billion in 1981.
- U.S. government aid to sub-Saharan Africa dropped 24 percent for 1987, to \$739 million, from \$972 million in 1986. Canada now gives Africa more than the United States does — \$950 million this year.

Last month, Africa's economic plight was highlighted when the Ivory Coast, widely considered an example of fiscal sobriety, announced it would not keep up with payments on its \$8 billion debt. Earlier in the month, Zambia abandoned an accord with the International Monetary Fund because of mounting opposition to the fund's austerity measures.

In both cases, sagging commodity prices were blamed. Coffee and cocoa are the Ivory Coast's top two export commodities, and prices are at their lowest in four years for coffee and in five years for cocoa. Falling copper prices have cut the average Zambian's income by two-thirds in a decade.

Major General Ibrahim Babangida, the president of Nigeria, Africa's most populous country, spoke for many Africans when he complained of "an increasingly unresponsive world economic and financial power structure."

Western participants at the Nigerian conference generally agreed that the West had lagged in responding to the crisis.

"Whether we look at aid or debt or trade, the rich countries have not as yet lived up to their part of last year's economic recovery pact," said Monique Landry, Canada's minister for external relations and the highest-ranking Western official to attend the conference.

But other Western officials noted several measures adopted recently to pump fresh money into Africa. For instance, they said, members of the African Development Bank, which makes loans for development purposes, voted in Cairo last week to triple the bank's capital to \$19 billion, from \$6.3 billion.

In Venice, the seven powers at the economic summit meeting this month backed a proposal to triple an International Monetary Fund project largely intended for Africa, to \$9 billion from \$3 billion.

The Western officials also noted that next month, the world's largest multilateral lender, the International Development Association, a UN specialized agency, is to open a loan fund designed to double the money available for Africa to \$6 billion.

Debt relief also may be on the horizon.

About 75 percent of Africa's debt is owed to Western governments. The Venice communiqué urged consideration on rescheduling these debts with lower interest rates and longer grace periods.

The United States, long fiscally conservative on the issue, came out recently with a plan of giving 10-year grace periods for repayment of African government debts. Canada announced last year that all new aid to sub-Saharan Africa would be provided through grants, not loans.

North, Congress Reach Tentative Testimony Accord

The Associated Press

WASHINGTON — Congressional investigators and lawyers for Lieutenant Colonel Oliver L. North reached tentative agreement Monday on terms expected to lead to his public testimony later this summer in the Iran-contra hearings.

Sources said the agreement would require the former National Security Council aide to undergo limited private questioning before he appears in public, despite his initial reluctance. In addition, Colonel North would be required to deliver documents that the House and Senate investigating committees are seeking.

Officials had announced that they granted Colonel North a 24-hour extension in the deadline for delivery of a sworn affidavit in which he is believed to have kept accounts of his activities. The negotiations over his proposed testimony, for which he has been granted limited immunity, are likely to continue this week.

The second phase of the hearings, which reopen Tuesday following a two-week recess, are to focus on the secret sale of U.S. arms to Iran. Colonel North directed the sales.

Sheikh Balks Pentagon, State Department Divided

At Accord on Sharjah Rule

By Elaine Sciolino
New York Times Service

WASHINGTON — The Pentagon is locked in a struggle with the State and Commerce Departments over whether the United States should continue to trade with Iran, according to administration officials.

Defense Secretary Casper W. Weinberger is arguing strongly for a total ban on trade except for medical supplies and other things that he describes as humanitarian goods. Officials at the State and Commerce Departments believe that current trade levels, which include goods from caviar to oil, are reasonable, the administration officials said.

In a letter several days ago to Frank C. Carlucci, the president's national security adviser, Mr. Weinberger objected to an intelligence draft report on the Iran trade debate that was sent to the National Security Council early this month. He also strongly argued for his own position, according to Pentagon and White House officials.

"We look ridiculous when we



INDIAN OPPOSITION CANDIDATE — V.R. Krishna Rao, left, a former Supreme Court judge, ate candy given to him in New Delhi on Monday by the chief minister of Andhra Pradesh state, N.T. Rama Rao, after 14 opposition parties selected Mr. Rao to oppose Prime Minister Rajiv Gandhi in the national elections in 1989. The opposition coalition easily defeated Mr. Gandhi's Congress (I) party in the Haryana state election last week.

keep trading with somebody whose economy is geared toward war and there is no control over where your products end up," a Pentagon official said. "Mr. Weinberger believes that the report casts a pall over the idea of an embargo and makes our option look unworkable."

The dispute stems from a decision by the Reagan administration in March to approve export licenses for the sale of \$900,000 worth of computers to Iran over Mr. Weinberger's objections.

Mr. Weinberger was so distressed by the awarding of the license that he sent letters requesting that the issue be taken up at the level of the National Security Council and adjudicated by President Ronald Reagan.

The council agreed, and asked the various government agencies involved to draft a joint report on the overall trade debate sparked by the computer issue. But when the report, which is classified, was submitted this month, it was so vague in outlining options for the administration that White House officials asked that it be rewritten.

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At Accord on Sharjah Rule

DUBAI — The sheikh who tried to take over the Gulf emirate of Sharjah from his brother held out in the heavily guarded ruler's court Monday and asked for wider powers as a condition for abandoning his claim to leadership.

Sources close to the ruling family said Sheikh Abdul-Aziz Bin Mohammed al-Qasbi had refused to accept a decision by the Supreme Council of the United Arab Emirates that confirmed his brother, Sheikh Sultan Bin Mohammed al-Qasbi, as the legitimate ruler. The compromise decision appointed Sheikh Abdul-Aziz as crown prince.

Troops of the Emirate Guard, which Sheikh Abdul-Aziz heads, on Sunday night dug trenches around the building where he has been for six days.

Diplomatic sources said more troops appeared at government buildings and helicopters scouted the main road with Dubai, apparently to forestall any intervention by the United Arab Emirates to reinstate Sheikh Sultan.

The sources said Sheikh Abdul-Aziz had put forward several conditions for accepting the post of crown prince, including co-signing status with his brother on decrees.

Sheikh Abdul-Aziz, 48, said Wednesday that the al-Qasbi family had entrusted him to take over from Sheikh Sultan, 43, whom he accused of financial mismanagement.

Sharjah is a minor oil and gas producer that fell heavily into debt in the late 1970s and early 1980s through projects built with borrowed funds. Sheikh Abdul-Aziz has placed the emirate's debt at \$1.4 billion. Sources close to Sheikh Sultan estimate it at \$880 million.

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this opportunity and win the White House to their side before a final draft is accepted.

The draft report, parts of which were made available, acknowledges the split in the administration.

"All concerned agencies share concern that exports not enhance Iran's military or terrorist capability," it said. "However, there is disagreement whether existing controls adequately address this concern."

Trade with Iran is only a small fraction of what it was before Shah Mohammed Reza Pahlavi was overthrown in the 1979 revolution. Iran, which has sought to minimize trade with the United States, last year bought \$24 million worth of American-made goods — from small machinery and agricultural products to pigments and paper. The sale of computers never went through, however, because in the end the Iranians did not want them.

The United States imported more than \$600 million in goods from Iran last year, most of it oil on the spot market, as well as carpets, caviar, glassware, gems, antiques, camphor and pistachios.

Tamil Rebel Leader Killed in Ambush

COLOMBO, Sri Lanka (AP) — Sri Lankan commandos killed the most powerful Tamil guerrilla leader in the Eastern Province during an ambush Monday that left three other separatists dead, the government said.

Police commandos of the Special Task Force ambushed eight fighters of the Liberation Tigers of Tamil Eelam as they were planning to attack a Sinhalese village, a government spokesman said. The other four were wounded but escaped. None of the police commandos was reported hurt.

One of the separatists killed was the Liberation Tigers' leader in the Eastern Province, who was known as Regan, the spokesman said. According to the government, Regan had set up the slaughter of 20 Buddhist monks and 4 civilians near Anantawala village on June 2 following the massacre of 10 Sinhalese there May 29.

UN Plan on Gulf War Called a Repeat

UNITED NATIONS, New York (NYT) — After a six-month campaign for a resolution "with teeth," the United States has settled for a draft Security Council plan to end the Iran-Iraq war that basically repeats earlier statements, United Nations officials said Monday.

On Sunday, Michael H. Armacost, U.S. undersecretary of state for political affairs, hailed superpower support for the draft resolution, but UN officials described the new plan as essentially a repetition of Security Council Resolution 598 of February 1986, calling for an immediate ceasefire, withdrawal and an exchange of prisoners.

Iran refused to comply with that resolution, and the new draft lacks the one component that might give it some force — an arms embargo against whichever combatant did not comply.

Turkey Threatens NATO Pullout

ISTANBUL (Reuters) — Turkey threatened Monday to review its membership in the North Atlantic Treaty Organization following a European Parliament resolution charging that Armenians had been genocide victims.

Turkish leaders have said that the vote Thursday by the Strasbourg-based European Parliament had encouraged Kurdish rebels who massacred 30 villagers in southeastern Turkey over the weekend. The Parliament resolution said that Turkey should recognize as genocide the deaths of hundreds of thousands of Armenians in 1915 as a condition of its entry into the European Community.

President Kenan Evren, in a speech in the central town of Sivas, said: "It would be useful to sit down and review once again Turkey's membership of NATO." Mr. Evren, quoted by state radio, accused some NATO countries, which he did not name, of helping Kurdish rebels.

Poland Censors Bishops' Statement

WARSAW (Reuters) — The Communist authorities heavily censored a statement by Poland's Catholic bishops Monday supporting calls by Pope John Paul II for more political freedom and respect for human rights in his homeland.

The bishops met during the weekend to assess the pope's pilgrimage to Poland this month and issued a communiqué repeating the themes he raised in homilies endorsing the ideals of the banned Solidarity union movement.

The references were all cut from a version of the communiqué reported by the PAP press agency and published by government and party newspapers. They included an assertion by John Paul that every Pole should have the right to participate without discrimination in all aspects of society, including politics, and to express "rightful opposition."

Burma Airliner Missing in Mountains

RANGOON, Burma (AP) — A Burmese airliner with about 40 people aboard disappeared and airline officials said Monday it may have crashed in the mountains of eastern Burma.

An airline source said the Burma Airways Fokker Friendship 27 was on a regular commercial flight Sunday evening in Shan state. A government official said it was a special flight carrying local officials and officials of the ruling Burma Socialist Program Party.

"There is a plane missing," an airline source said. "Most probably it crashed in rugged terrain. It is true there could be no survivors." Sources said the control tower lost contact with the twin-engine plane 10 to 15 minutes after it took off from Heho, 280 miles (450 kilometers) northeast of Rangoon. It was on a one-hour trip to Mong Hsat, about 15 miles east of Heho, also in Shan state, they said.

For the Record

President Hosni Mubarak of Egypt plans to run for a second six-year term, according to an announcement in Cairo on Sunday by Youssef Wali, secretary-general of Mr. Mubarak's National Democratic Party. The official Middle East News Agency quoted Mr. Wali as saying that campaigning would begin next month and a national referendum would be conducted in October to elect the president. (AP)

The International Whaling Commission began its annual meeting in Bournemouth, England, Monday amid demands by ecological groups for a complete worldwide ban on whaling. The congress was to be held in private session until the end of the week, while members of ecological groups were to hold protests outside the meeting place. (AP)

Foreign Minister Shimon Peres of Israel left for Europe on Monday in another effort to gather support for a Middle East peace plan opposed by his government coalition partner, Prime Minister Yitzhak Shamir. (UPI)

France has agreed to resume deliveries of Mirage aircraft to Egypt, suspended in April because of payment delays, Defense Minister Abdel Halim Abu Ghazala of Egypt said Monday. (Reuters)

TRAVEL UPDATE

Italy May Face a Disruptive Summer

ROME (Reuters) — Travelers in Italy are facing a summer of chaos because of strikes by workers in several sectors of the transport industry, union officials said Monday.

Rail workers and airline pilots seeking improved pay and conditions have called strikes for several days over the next three months, and workers on ferries between Italy and Sardinia have been striking for four hours a day.

Gasoline station attendants were to decide Monday whether to strike for 48 hours to protest possible government deregulation of prices. The strikers are organized by groups outside Italy's main union federations.

4 Europe Airlines to Coordinate Data

PARIS (Reuters) — Four European airlines have agreed to set up a joint computerized system to coordinate information about travel services, Air France said Monday.

The system, agreed on by Air France, Iberia of Spain, Lufthansa of West Germany and the Scandinavian Airlines System, will become operational in 1989, it said. Called Amadeus, it will offer travel agencies and airlines an integrated display of airline, hotel and car rental services.

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U.S. Case of a Retarded Murderer Raises New Death Penalty Quandary

By Ruth Marcus

CONWAY, South Carolina — Minutes after the decision, the guards brought Limmie Arther, a convicted murderer with an IQ of 65, to a small back room in the Horry County jail to talk with his lawyer.

Experts on mental retardation had spent the day testifying that Mr. Arther, 28, the son of a sharecropper, had the mental ability of a child 10 to 12 years old, at best. They had said he could not remember his lawyers' names or recite the alphabet.

Last month Mr. Arther was sentenced to die in South Carolina's electric chair for killing his crippled 65-year-old neighbor with an ax. Limmie Arther's Social Security retirement benefits. On Friday, the judge who had imposed the death sentence refused a defense plea to reduce Mr. Arther's sentence to life in prison or grant him a new trial.

One of Mr. Arther's lawyers, John Blume, asked him how he felt about the result. "I ain't too sure," Mr. Arther said, smiling. "I feel good anyway," he said, adding: "Got a new trial."

Limmie, he didn't give us a new trial," the lawyer replied, wincing. "This means we're going to have to appeal it. You know what appeal means?"

"Yes, sir," nodded Mr. Arther. The case of Limmie Arther poses the troubling question of whether the death penalty may be imposed on murderers who are mentally retarded — or whether their execution should be barred, as Mr. Arther's lawyers contend, under the U.S. Constitution's Eighth Amendment, which prohibits cruel and unusual punishment.

"It's just wrong to execute people whose understanding of the world is that of children," said Mr. Arther's chief lawyer, David Bruck. "The death penalty is an absolute punishment," he said. "And if it is to be imposed at all, it should be imposed on people whose sense of responsibility and judgment is such that they fully appreciated the seriousness of what they were doing."

But prosecutors in Mr. Arther's case, and other advocates of capital punishment, argue that, as long as mentally retarded offenders understand the criminality of their acts and are competent to stand trial, their low intelligence should not shield them from execution.

"There is an abundance of evidence in the record to show the defendant knew what he was doing, knew the criminality of his act, knew the difference between right and wrong," argued Debbie Owens, the assistant Horry County solicitor.

U.S. Amnesty Group Seeks End to Penalty

United Press International

SAN FRANCISCO — Amnesty International USA has decided to seek an end to the death penalty, which speakers called a violation of human rights and "a reprehensible expression of racism."

The international group, which won the Nobel Peace Prize in 1977, is best known for its efforts to end human rights violations around the world. But its U.S. director, John Healy, told 1,000 American members at the group's annual meeting that capital punishment is the ultimate violation of human rights and should be abolished.

He called for an end to capital punishment in the United States.

"We should know that when the death penalty enters any country in the world, then the minorities who live there should be scared because it will be used against them — as it has been used in this country against blacks," he said Saturday.

An Amnesty International staff member, Charles Fulwood, said the death penalty, as practiced in the United States, is "a reprehensible expression of racism" because statistics show that a disproportionate number of blacks receive it.

Mr. Healy said the group would first oppose the death penalty in Florida, Texas, Louisiana and Georgia because most executions in the United States take place in those states. He added that Amnesty International would work with the NAACP and the American Civil Liberties Union.

capital punishment was reinstated, at least five were diagnosed as mentally retarded or borderline. But the issue of their mental capacity was raised too late in the process to stop their execution.

Mr. Arther is the 17th of 18 children raised in a tiny, unroofed shack amid the tobacco fields of rural DuPont, near Myrtle Beach.

The crime for which he has been sentenced to death occurred on New Year's Eve, 1984. Mr. Arther's sister, Marilyn, drove him into town along with William Miller, who was known as Cripple Jack, and Mr. Miller's wife, Katie. Mr. Miller cashed his Social Security check, paid some bills and bought two half-pints (about a half liter) of liquor, which he and Limmie Arther drank behind a local store.

Marilyn Arther dropped her brother and Mr. Miller at Mr. Miller's house. Limmie Arther said he was going to chop some wood. When Mr. Miller's wife returned a few hours later, her husband was dead. A bloody ax was lying nearby. In a washbasin outside the Miller shack, the police found Limmie Arther's bloodstained shirt. At the Arthers' home, they discovered Limmie hiding in the attic, his bloody boots sticking out of the rafters and \$100 in his wallet.

When questioned, Mr. Arther first told the police that he earned the money selling peaches, then switched his story and told them he stole it from his father. When Limmie Arther disputed that, Limmie changed his story again and said he had taken the money from Mr. Miller earlier that day.

Mr. Arther did not testify at his trial. To prosecutors, the fact that Mr. Arther hid after the murder and lied to the police demonstrated that he understood what he had done.

"If he didn't understand the criminality of his act after he killed Cripple Jack Miller," said Ms. Owens, the prosecutor, "he wouldn't have had the sense to go hide in the attic or the ability to create a story and to change it."

From the defense viewpoint, Mr. Arther's attempt to escape responsibility by hiding and lying is evidence that he is not a savvy, street-smart criminal.

"He took his bloody shirt and left it soaking at the scene of the crime," said Mr. Bruck. "There he is, hiding in the attic with his feet sticking out. Good grief. If that's the crime of a mature criminal, I think the job of our law-enforcement agencies would be a great deal easier than it is."

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An Honor for Nancy Reagan

Mikhail Baryshnikov, the ballet star, dancing with Nancy Reagan in Washington during the Ford Theater's festival ball. She was presented with a medal for her support of the theater.

Group to Patrol N.Y. Subways

By Esther Iverem

New York Times Service

NEW YORK — Twenty-five young black men began patrolling the city subway system Sunday in an effort to curtail crime that they believe disproportionately affects the black community.

The organizers of the patrol said that the unarmed volunteers will patrol all subway lines from 6 P.M. to 6 A.M. daily and will intercede when they see crimes against the members of any race.

They said the patrol said it began in response to the acquittal last week of Bernhard H. Goetz, 39, in the shooting of four persons on a subway train. Mr. Goetz said he shot them because he believed they intended to rob him.

Mr. Goetz is white and the four young men shot are black. A U.S.

civil rights investigation after the shooting concluded that Mr. Goetz had acted out of fear and that there had been no racial motivation.

Mr. Goetz, an electrical engineer, was charged with attempted murder, assault and illegal possession of a weapon. He was acquitted in the December 1984 shootings by a jury last week. He was convicted of carrying a loaded, unlicensed revolver in a public place.

Nathaniel Cumberbatch, a member of the patrol, which is called the Disciples of Justice, said, "I don't want me or my son to be picked as targets for violence or harassment because we are black."

Mr. Cumberbatch, 33, a construction worker, spoke as he and the other patrol members left the Universal Church of God in Christ in Brooklyn and headed for a nearby subway station.

Oratorically, a Democratic Agenda Takes Shape

By E.J. Dionne Jr.

New York Times Service

WASHINGTON — The Democrats who would be president have found a new political language.

Instead of talking about "spending," they propose "investments in the future." They hate the word "taxes," preferring when they have to, to speak of "new revenues." And they have dropped themselves in red, white and blue, seeking to blend the theme of compassion with patriotism, optimism and toughness.

But beneath the words is a substantive consensus that is coming to be called the "post-Reagan agenda."

Although it is not yet complete, the emerging platform includes a renewed commitment to public education, a focus on the needs of children, calls for a more competitive but also more cooperative economy, efforts to create a welfare system that emphasizes work and job programs, and an aggressive attack on what they describe as the culture of selfishness.

The Democrats' move toward consensus on domestic policy has not yet been matched by a similar agreement on foreign policy.

But on domestic issues, there is surprising agreement on themes, an accord that stretches from the Democratic Leadership Council on the party's right and center to Americans for Democratic Action at its liberal wing.

Underlying the Democratic consensus is an emphasis on words.

West German Dentists Strike

United Press International

COLOGNE — Most of West Germany's 30,000 dentists went on strike Monday against a proposed cut in fees involving some services covered by the socialized medical system. Patients needing immediate care were referred to emergency clinics.

such as "community," "citizenship" and "obligation."

The Democrats say that after seven years in which the national credo emphasized the potential and achievements of the individual, the nation is prepared to turn toward a sense of the "public good."

"There's a sense that something is missing," said Representative Richard A. Gephardt of Missouri, one of the presidential candidates. "There's been this worshiping of doing well individually, but it is not allowing us to do well individually or as a nation."

"What we missed in all this, and what the country is beginning to understand, is that human issues, a sense of community, treating everybody decently, is vital to our success," Mr. Gephardt said.

William Schambra, a conservative scholar at the American Enterprise Institute, argues that the Democrats' rhetorical strategy is not new and that liberals have long tried to stress a sense of "national community" as against the conservatives' preference for "local community."

But new or not, the locations are giving the party the opportunity to look unified.

Emphasizing one form of patriotism, former Governor Bruce Babbitt of Arizona, another presidential candidate, speaks of his efforts in the war on poverty. Other Democrats discuss the obligations of "citizenship."

Such language helps solve what Governor Bill Clinton of Arkansas, who is contemplating entering the Democratic contest, has called "the great dilemma for Democrats: how to speak to the possessed and the dispossessed at the same time."

When he was governor of Arizona, Mr. Babbitt pioneered efforts to provide child care at a reasonable cost. In recent weeks, Senator Joseph R. Biden Jr. of Delaware, who is also running, has devoted

more and more attention to children's programs, and other Democrats are following suit.

The economy is another area in which the Democrats are speaking of innovation and compassion. Although they have criticized Japan for its trade policies, many Democrats say the United States needs to learn from Japan's cooperative style of business management.

The Democrats have also taken their party's historic commitment to the rights of workers and refashioned it with an emphasis on "incentives." They praise companies that give workers bonuses and shares of profits and criticize those that give bonuses only to executives.

At the same time there is broad agreement that economic innovation will cost jobs in certain parts of the manufacturing and service industries. Thus, all the candidates talk of the need for expanded training of displaced workers.

Job training, as well as education, again emerges as a theme when the Democrats talk about changing the welfare system.

The candidates believe that most voters favor job training and education programs for the poor, provided that these programs move people off the welfare rolls.



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Submarined by Allies

Western security has been undercut by the avarice of two companies, Toshiba of Japan and Kongsberg Vaapenfabrikk of Norway, and by their governments' lackadaisical supervision of militarily sensitive exports. Under false pretenses, the companies shipped machinery to the Soviet Union that will enable the Russians to fabricate quieter submarine propellers. Soviet submarines will now become much harder to detect, all so that Toshiba and Kongsberg could turn some extra profit.

Both Norway and Japan concede the seriousness of the diversion. Neither seems yet to appreciate the sentiment building in Congress for sterner reprisal than the diplomatic nut-bits being uttered by the administration. The House of Representatives last week voted 415-1 to demand compensation. In the Senate, Jake Garn suggests that "we ought to really hurt Toshiba." Norway and Japan would be smart to volunteer some more substantial remedy than the wrist slaps so far given to their errant companies.

No technology can be kept a Western monopoly forever, but there is every reason to try slowing the rate of seepage of military technology. Under rules set by their coordinating committee, COCOM, the North Atlantic Treaty Organization countries and Japan thus restrict export of such products. Though COCOM rules are administered seriously by the United States, France and Britain, other countries have lax enforcement and mild penalties.

Kongsberg and Toshiba evidently believed they had little to fear in their conspiracy to sell propeller-milling equipment to the Russians. Toshiba provided the milling ma-

'Time Out, Dammit!'

General Bernard Rogers, retiring as NATO military commander, unburdened himself of no mean valedictory grumble in an interview with Jim Hoagland of The Post (JHT, June 19). Referring to the Reagan administration's "rush" to an arms control agreement with Moscow and the cascade of other proposals pouring out of the Kremlin, he declared: "Somebody ought to stand up out there and say to NATO, 'Time out, dammit!' We have moved too quickly, and it is time for us to sit back and think and reorganize."

General Rogers speaks for the many who feel that a combination of erraticism and uncertainty in the Reagan administration and activism and confidence in the Kremlin has strained the alliance badly. There is a widespread expectation that Mikhail Gorbachev may soon come on even stronger to turn some of the West's old arms control offers back upon it, as he did with the "zero option" proposal on intermediate-range missiles. The Europeans' particular fear is now "denuclearization," seen less as deliverance than as exposure to the whims of Soviet conventional power.

But General Rogers may be too sensitive to European NATO jitters. The arms control pact that Washington ostensibly is "rushing" toward is one it put on the table, at European urging, nearly two presidential terms ago. If the alliance was not fully

An Assault on Immunity

Two important mechanisms are bashed together in the U.S. Justice Department's strange new assault on the special prosecutor law. One is the idea that independent lawyers should investigate when high officials are charged with misconduct. The other is diplomatic immunity, which protects foreign representatives from prosecution for whatever charges are cooked up in other countries.

It is a needless collision. In its eagerness to denounce one possibly errant prosecutor, the Justice Department strains to tarnish the law that makes possible all such independent, credible inquiries.

The issues intersect in two cases. Special prosecutor Whitney North Seymour Jr. seeks to compel the Canadian ambassador and his wife to testify in the perjury trial of Michael Deaver, President Reagan's confidant and former aide. The prosecutor says Ambassador and Mrs. Allan Gotlieb are essential witnesses as to whether Mr. Deaver lied about his involvement in U.S.-Canadian affairs before leaving the White House to become a lobbyist. Mr. Seymour argues that the Gotliebs waived immunity when they agreed to cooperate, if in limited fashion. The Gotliebs and the Canadian government say they intended no waiver.

Another special prosecutor, Lawrence Walsh, who is investigating the Iran-contra affair, has subpoenaed David Kimche, who was director-general of the Israeli Foreign Ministry when he helped broker the sale of U.S. weapons to Iran through Israel. Israel claims diplomatic immunity and also cites an

Other Comment

Soviet Actions Speak Loudest

Before rushing to make concessions in disarmament talks, the West should wait for Mikhail Gorbachev to show in actual deeds, rather than mere rhetoric, that the expansionist Soviet foreign policy of the Brezhnev era has changed. The experience with détente, accompanied as it was by a massive

Soviet buildup of nuclear missiles, indicates that caution is in order. A fixed timetable for the withdrawal of Soviet troops from Afghanistan, and a genuine reduction of Soviet troop levels in Czechoslovakia and East Germany, could reduce Western mistrust and give real meaning to the talks on conventional disarmament, while preserving security.

— Neue Zürcher Zeitung (Zurich).

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Waldheim's Vatican Visit: Jews Feel 'Burning Outrage'

By Arthur Hertzberg

NEW YORK — In September 1971, in a synagogue in Paris, there was a new beginning in the often painful history of the relations between Jews and Roman Catholics. For the first time ever, the Vatican had sent an official delegation to meet with an equally weighty group that spoke for the major Jewish organizations.

In three days, most of the issues that preoccupy Catholics and Jews, from anti-Semitism to abortion, were aired, and the delegates discovered how long the journey was yet to be before Catholics

Jewish-Catholic dialogue is threatened — unless John Paul is providing the Austrian a graceful way of leaving office.

and Jews could wipe away the legacy of centuries of persecution and disrespect.

The moment of that meeting that I cannot forget was an intervention by Archbishop Roger Etchegaray of Marseilles, who is now a cardinal at the Vatican. He turned to me, at a break in the proceedings, and said: "The issues are not important, old and tragic though they may be. At this meeting, we must begin to look into each other's hearts and begin to feel each other's pain."

Pope John Paul II has now invited Kurt Waldheim to the Vatican. He has done this even though — or perhaps because — every civilized government will have nothing to do with this president of Austria, who lied about his Nazi past. I shall head Cardinal Etchegaray's injunction and try to look into the heart of the pope.

Mr. Waldheim is a practicing Catholic and is entitled to the pastoral concern of the church. Austria is a Catholic country, and it cannot be excluded from the love of Peter's successor. But

must the pope be his pastor? Is there no priest in all of Austria to minister to Mr. Waldheim? Is there no other way of saying to the Austrian people that they are cherished sons of the church?

Let me ask my Catholic brothers to understand the pain in a Jewish heart. I speak not of the pain of centuries but of the hurts of recent years. We have rejoiced in the zeal of the church, and especially that of the present pope, in the battle against anti-Semitism.

We know of quiet interventions for people in trouble, and of acknowledgment of this fraternity. But our discomforts have been growing. We are ever more convinced that in the Nazi era, and in the immediate years thereafter, the church, on balance, worried more about fleeing Nazis than it did about dying Jews.

Today, the pope continues to withhold diplomatic relations from Israel.

The memory of the Holocaust end the miracle of Israel's existence are the two high dramas, one tragic and the other glorious, of our Jewish lives. We know that the leader of our Catholic brothers remains deeply shaken by his own youthful memories of Nazi-occupied Poland and that he is glad that Jews are no longer hunted, but we fear that the pope does not feel our pain as we feel it or share in our great joy in Israel as we do.

There is burning outrage in the Jewish world at the invitation to Kurt Waldheim, and the bodies that began the formal dialogue with the church are now asking whether this relationship can continue, especially since the pope has asked that the current topic be the Holocaust.

Jewish leaders have argued about the tactics to use in the battle with Mr. Waldheim. But the Jewish world is united that a man of his past, who looked away while Jews were murdered and Yugoslav villages were burned, is not morally acceptable as a world leader. In this they are joined by all Western opinion, except for a divided Austria.



BY BEHRENDT, CAW Syndicate

I cannot believe that the pope expects to reverse this judgment, or even to unite Austria, by having the Swiss Guard salute Mr. Waldheim as he arrives at the Vatican gate.

My heart tells me that it is not so simple; at least, I hope so. Otherwise this will be no isolated tempest that will blow over. It will poison the highest levels of Jewish-Catholic relations.

I hope that the pope has invited Mr. Waldheim to provide him with a graceful way of leaving the presidency of Austria. If that is the penance the pope is imposing, he will serve Mr. Waldheim and Austria, and both Catholics and Jews. The pope will then be seen as the leader of a church that wants to turn away from Mr. Waldheim's sorry past and to confront its own collective conscience. A simple whitewash by the pope of the evasive Mr. Waldheim is unthinkable.

I await good news from Rome, the news of a courageous leader acting for the future. I tremble at the thought of another regressive and angry era in relations between Jews and the church.

The writer, a rabbi, is vice president of the World Jewish Congress and a professor of religion at Dartmouth College. He contributed this comment to The New York Times.

As Reagan Declines, It's Time to Plan for the Future

By James Reston

WASHINGTON — The decline of President Reagan's influence here is more than a problem, it is an embarrassment. The capital is still hoping that he will get an arms deal with the Russians, but mainly it is turning its attention to his successor.

He will, of course, go on and on like a snuck whistle, calling for a line-item veto and a constitutional amendment to balance the budget, but the Congress is now waiting him out and trying to control the damage.

It will not be easy. After he cleared out the basement in the White House and appointed Howard Baker as his chief of staff, it was hoped that the president would compose the differences within his cabinet and improve his relations on Capitol Hill, but the new regency is still divided.

Secretary of State George Shultz had misgivings about flagging the Kuwaiti tankers in the Gulf just as he opposed the president's decision to ship arms to Iran. And Mr. Baker thought it was a "unique opportunity" when the Russians decided not to increase their Gulf flotilla and offered to consult on ending the war there, but the president preferred confrontation.

Unfortunately, the contra bearings

will probably dominate the news this summer, with Colonel North and Admiral Poindexter on the stand testifying on what the president knew and when he knew it or forgot it. But after all this paving over the past, there will still be time to plan for the future.

With the decline of Mr. Reagan, the transition is starting earlier in this election than usual. There are some thoughtful people in both parties who recognize that the situation is too serious to be left to Mr. Reagan or the candidates who are roving around the country selling themselves.

Governor Mario Cuomo of New York, for example, is proposing the formation of a national bipartisan economic commission to study the budget, trade, monetary and other related issues so that the presidential nominees will have some considered judgments to guide them in the campaign.

Others are suggesting similar commissions on arms control, drug control, education reform and public health to assist the winners and nourish the national debate in the 1988 campaign. Their reports, of course, would not commit the nominees to

anything, but would at least be orderly and objective summaries of the principal issues for decision.

One of the major problems of U.S. presidential elections is that the winner usually staggers out of an exhausting campaign with only a few weeks to pick a cabinet and a White House staff, draft an inauguration speech, deliver a State of the Union Message and construct a budget.

Unlike the chief executives of other democratic countries who have permanent undersecretaries of the various departments and agencies who carry on from one administration to the next, the winner of the U.S. election inherits little more than a party platform that he did not write and a civil service that he does not know.

This is the argument for an expanded "transition period" beginning now. The situation in November of next year will not be like November of 1984 when the re-elected Ronald Reagan carried his first-term team into his second term. After the next election he will be gone, and both parties will have to begin anew.

After the assassination of Presi-

dent Kennedy, I spent a few days with President Lyndon Johnson at his ranch in Texas. He was grappling with this problem of transition.

"You know," he said, "I've been around Washington for quite a while, and I know some people from the South and the Southwest, but with all these jobs to fill I'm just realizing I don't really know where the good people are in the Middle West or the far West. I don't know how to find them."

He said that when he had to appoint judges, he had the help of the bar associations, and he wondered whether the press associations in the various states could not get together rosters of the most talented people in their areas. It was not his best idea but it illustrated the problem.

If the political parties were strong today, they would take on this task of preparing for the campaign, collecting data for the coming debates and mustering the best talent available.

But like the president, they are not now in a strong position. They are leaving the job primarily to the unnamed candidates, who are out raising money and speaking primarily for themselves.

The New York Times

Yes, Collar the 'Fat Cats,' but Let's Curb Ourselves Too

By David S. Broder

WASHINGTON — I was listening to a presidential candidate — it happened to be Joe Biden, but it could have been any one of them — talk the other noon. He mentioned an all-day meeting with some economists. He repeated some of the ideas he had gotten from them. And suddenly I was reminded of a peculiar story in the coverage of politics in America.

Suppose Mr. Biden had said he had spent the day with his big contributors. The reporters around the table would have pummeled him with questions about these "fat cat, special interest" guys wanted in return. But because he was talking about idea merchants, no one blinked an eye.

When it comes to campaigns, dollar contributions are deemed to be potentially or actually corrupting. The view is that they need to be limited — as the Senate is again struggling to do — or at least made

subject to strict rules of disclosure. But no such taint attaches to other vital campaign ingredients, notably manpower and ideas. People who make their contributions by volunteering to walk a precinct or by offering to write a position paper for a candidate are deemed to be performing a generous act of good citizenship.

Why is it dangerous to contribute dollars, but not to contribute labor or thought? The answer has to lie in the eye of the beholder.

When it comes to influence on policy, few would seriously maintain that a \$1,000 contributor exerts more leverage than the person who drafts a speech for a contender or gives him his briefing on trade policy or the Gulf. But the people who write about politics, like myself, are far closer in spirit to the bribees and the ghostwriters

than we are to the big contributors. So when organizations like Common Cause, which provides the lobbying muscle behind the recurrent drive for "campaign reform," sound the alarm, we in the press tend to respond.

Frank Sorauf, a University of Minnesota professor, has demonstrated that point nicely in an article in Political Science Quarterly. He analyzes news coverage on three recent campaign finance developments in The New York Times, the Los Angeles Times and The Washington Post.

In every instance, he makes a convincing case that the coverage reflected not a partisan or ideological bias, but a particular strain of American thought: the Progressive tradition that was a powerful force in U.S. politics from the 1890s to the 1920s.

The Progressives, as the political

scientist Austin Ranney once wrote, believed that "the great enemies of society are the big political machines, the business trusts, and the other special interests that try to advance their selfish goals at the public's expense by buying elections and corrupting public officials."

Progressivism faded as a political force 50 years ago, but it remains alive and well in American journalism and in many self-styled reform organizations. The Progressives' belief in the corrupting power of money is the assumption underlying most of the current efforts to limit contributions by political action committees, or PACs, to introduce public financing of congressional campaigns and to place ceilings on campaign spending.

Reformers and journalists tend to share that Progressive tradition. They also know that their influence derives from their presentation of information and ideas, not from their wealth. It may be right to say that dollars corrupt politics while ideas enlighten it. But there is enough of a coincidence between assets and arguments to justify a degree of skepticism.

I happen to think that the rapidly rising costs of many Senate races do justify an effort to slow this form of political inflation, at least temporarily.

But there is an excess of moralism in the preachings on this topic. A pluralistic society properly should allow many channels by which people can seek to influence decision-makers. And you can see more than a tinge of intellectual elitism in the notion that only money corrupts.

The Washington Post

In the Thai Hills, a More Lucrative Crop

By William N. Raiford

NEW YORK — Lao Law lives in Mae San, a Yao tribal village in the hills of northern Thailand. Last year he earned \$2,400 from his first coffee harvest, nearly three times the average per capita income in Thailand. This year he expects to earn \$6,000. The most he ever made when he grew opium poppies was \$300.

Before visiting northern Thailand, I was skeptical that farmers anywhere could earn more from food crops than from opium. Mr. Lao and his fellow villagers have done so. That is a breakthrough in the war against drugs and a crucial factor for Thai development.

Thai farmers now can make more from a crop that sells for \$5 a pound in New York than from one that retails here for \$1 million a pound. The lion's share of profits from heroin, of course, are skimmed off by intermediaries and crime bosses.

Until the early 1970s, the hill tribes of northern Thailand grew about 150 tons of opium a year. Many were involved in insurgency movements. The government's searing drug trafficking and the insurgency as twin threats to security, decided to halt opium production. Rather than rely on military force, it adopted a strategy of integrating the tribes — previously deprived of schools, roads and other services — into the national economy.

Bangkok asked the United Nations Fund for Drug Abuse Control and the UN Development Program

every poppy plant it could find, as some U.S. officials demanded, it would have created an alienated population, refugees and a heavy dependence" on state aid.

"Our troops could destroy all the poppies," said Major General Chavalit Yodmuang, secretary-general of the Thailand Opium Narcotics Control Board. "But we have to give the villagers another source of income. That is the challenge."

Last year Thailand permitted production of about 25 tons of opium, one-sixth the level of the 1970s. This will, of course, take heroin off the streets of London or New York. Thailand now accounts for less than 2 percent of world production.

But the fact that opium growers can earn a living from other crops is itself important. And crop substitution has been proved to be a critical, and readily replicable, element in the global war against drugs.

The rural development program developed in northern Thailand is now being extended to other hill villages by UN bodies, government aid agencies and private groups, in cooperation with Thai authorities. To spread that success to other countries will require more money from the major user countries and a more determined effort by grower countries both in law enforcement and in rural development programs.

The writer, a consultant to the UN Development Program, contributed this to the International Herald Tribune.

For Seoul, Stern but Quiet Talk

By Flora Lewis

SALZBURG — The violent crisis in South Korea goes on. It will leave more bitter scars in a country that has many resentments to cherish, and whatever the United States does now, anti-American feelings are stoked.

There is little prospect of any early euphoric ending of an era, as the election stolen from Corazon Aquino and reclaimed by the will of the people caused in the Philippines. The problem is not just President Chun Doo Hwan. It is the perpetuation of a tough, military-run regime in a country that has made extraordinary economic and social progress in a generation. Politics tags behind.

And it is a reflection of the strains added when a country undergoing the difficulties of rapid change is also a key player in the East-West conflict. Like leftist youths in West Germany, the South Korean demonstrators have their own ideas for the country they live in, and they do not see why they should think instead about the Communist regime next door.

Unlike the Germans, they have not had democratic experience. The country was ravaged by a half-century of Japanese occupation. When North Korea invaded in 1950, it had scarcely begun to revive. Since then, protected by 41,500 American troops, it has flourished and made an enormous mark on the world of commerce.

But it is still partitioned, still starting as a sense of less than complete independence. President Jimmy Carter planned to withdraw U.S. troops, which probably would have been a good idea in terms of the development of internal South Korean politics as well as in terms of cost to the United States.

It was a bad idea strategically, as demonstrated by the fact that the troops were pushed at soft spots around the globe that he canceled it. The troops remain and guard the front effectively.

North Korea is still a taut, opaque, heavily armed state with undisputed ambitions. Kim Il Sung is aging, but he has not begun to bend in the direction of reforms that even Vietnam, behind China and the Soviet Union, has come to admit are necessary.

From time to time, there have been gestures toward minimum accommodation toward the two halves of Korea. But they never get far. There is nothing like the human contacts between the two Germanys, actively and expensively encouraged by Bonn, to ease the pain of partition.

It is a shame that Seoul was not willing to accede to Pyongyang's demand for a larger share as host to Olympic events. That would have forced some opening of North Korea and provided a test of what lies beneath the surface. Nobody knows. Mr. Kim is trying to assure that the regime will go on unchanged by preparing the succession of his son, which may or may not work. It would be imprudent for a larger share as host to Olympic events.

But there is not a good enough argument for keeping what is essentially a military regime without its uniforms, muzzling the democratic aspirations of the South. On the contrary, the refusal to consider constitutional reform before next year's Olympic Games and the failure to persuade the opposition that elections will be fair are causing the trouble now.

Even the Olympics are threatened. They should be moved unless there are clear signs fairly soon that the government is prepared to calm the atmosphere by seeking reconciliation with its people, and it is to be hoped it has now reached the point of decision. The demands are not new. Twenty years ago students were rioting in Seoul, calling for democracy. Now their children are saying the same, and they will not be denied indefinitely.

The dilemma for U.S. policy has no easy answer. Urging the government to talk to the opposition and to show restraint has not had much effect. Inevitably, many Koreans hold the United States responsible for the survival of repression. In the eyes of the demonstrators, doing nothing to oppose it is a proof of support.

But this is not a case for sanctions, certainly not trade sanctions, which would immediately be seen as a U.S. trick to limit Korean competition with a thin excuse. Some stern talk is needed, preferably in private so as not to stiffen the confrontation.

Americans made a huge sacrifice to safeguard Korea's chance for its present prosperity and its hopes for democracy. The United States has a right to press the government to fulfill those hopes. But it is also paying the price of focusing too much on global rivalry when the people directly involved have their own priority.

The New York Times

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Taft Is Nominated

CHICAGO — President Taft has been renominated on the first ballot [by the Republican National Convention on June 22]. The vote was: Mr. Taft, 561; Theodore Roosevelt, 101; Senator LaFollette, 40; Senator Cummins, 17; and Justice Hughes, 2.

NEW YORK — The Democrats are discerning enough to see that the only hope of victory is harmony [at the Democratic National Convention opening June 24 in Baltimore]. The New York World says: "A hack or a reactionary nomination at Baltimore would bring back Mr. Roosevelt as an independent candidate, in which capacity he would poll as many Democratic as Republican votes, leaving skeletons of a dozen States."

The New York Herald adds: "If the Democrats do not pick their steps and accept good guides, they will be in the tangles of Chicago."

1937: Riots in Trinidad

PORT-OF-SPAIN, Trinidad — With one man killed and eight wounded in an attack by strikers on the San Fernando telephone exchange [on June 21], the casualty list of Trinidad oil riots, which began in the domain of the United British oilfields [on June 19], has now reached 12 dead and more than 60 injured. San Fernando, the center of the oil district in the southern part of the island, is a city of terror. Six strikers were shot as they tried to storm a police car near San Fernando [on June 21], while fighting was reported at the Point Fortin plant of the United British Company. Harbor workers and public works employees in all parts of the island struck [on June 22]. Governor Sir Murchison Fletcher has called out all available citizens to serve as special constables. The British carrier Ajax arrived at Point-a-Pierre and landed four parties of marines and sailors.

OPINION

When Helms & Co. Pursue Policy by Wrecking-Ball

By Philip Geyelin

WASHINGTON — What with the Boland amendment and Nicaragua, or the War Powers Act in the Gulf, one year for a clear-cut case to sharpen the mind-bending debate over the respective roles of Congress and the executive in the making of foreign policy. Well, there is one. For more than eight months, the Senate has been manhandling the nomination of a career Foreign Service officer, Melissa Folsch Wells, to be the U.S. ambassador to Mozambique. She is hardly the first (and will certainly not be the last) ambassador-designate to be caught up in a foreign policy power play. Mozambique, the former Portuguese colony on the south-

Helms's current target is '100 percent guilty' of supporting U.S. policy.

east coast of Africa, scarcely qualifies as a top-priority U.S. security concern. But even as a microscopic case study, this one has more implications than only begin with the memo-minded mischievousness of Senator Jesse Helms of North Carolina or the ideological holiness of the far right.

The charge against Ms. Wells (as is usually the case) has nothing to do with her credentials or her competence. Her problem, as one State Department official puts it, is that she is "100 percent guilty of supporting the Reagan administration's position" on Mozambique. It is the Reagan policy that her critics (mostly Republicans) cannot abide. And the reason for this is that over the past four years, the Reagan administration has been sensibly and successfully standing the "freedom fighting" fixation of the Reagan doctrine on its head in Mozambique.

Undeniably, when the "anti-imperialist" revolutionaries in Mozambique broke away from Belgium's colonial rule, they turned to Marxism-Leninism for inspiration, and to the Soviets for military aid against the Mozambique National Resistance, or Renamo, a ragtag rebel movement of the most dubious origins. Renamo was created by the white supremacist government of Rhodesia in an effort to blunt Mozambique's support for the liberation movements that eventually brought independence to what is now Zimbabwe. For its legitimacy, it now relies on the sponsorship of South Africa.

Also undeniably, Mozambique's young government wrecked the country's economy with its Marxist doctrines and fell afoul of the Carter administration's human rights policies by its repressive ways. But in 1983, President Samora Machel made a conscious decision to loosen the Moscow connection,

introduce economic and social reforms, and reach out to the West. The results fall well short of a break with Moscow or Marx. But they were sufficiently impressive to bring an invitation to the White House for Mr. Machel from Ronald Reagan in 1983.

After Mr. Machel died in a plane crash last year, the trend continued under his successor, Joaquim Chissano. His recent call on Britain's impeccably conservative prime minister, Margaret Thatcher, won him a dozing of British aid. America's most important Western allies, as well as strategically located black African states, support the Mozambique government and the Reagan administration's policy. Black African states bordering on South Africa depend on Mozambique's road, rail and pipeline links to Indian Ocean ports.

But that is not enough for Helms & Co. They would use Melissa Wells as a bludgeon to reverse the Reagan policy and put America on Renamo's side of the struggle. In his distinctive low-down, high-handed way, Mr. Helms did not even show up for Ms. Wells's confirmation hearings. He voted by proxy against her when the nomination was overwhelmingly approved by the committee. Whereupon, he bullheaded her with an unprecedented 246 picky, tendentious and largely irrelevant written questions.

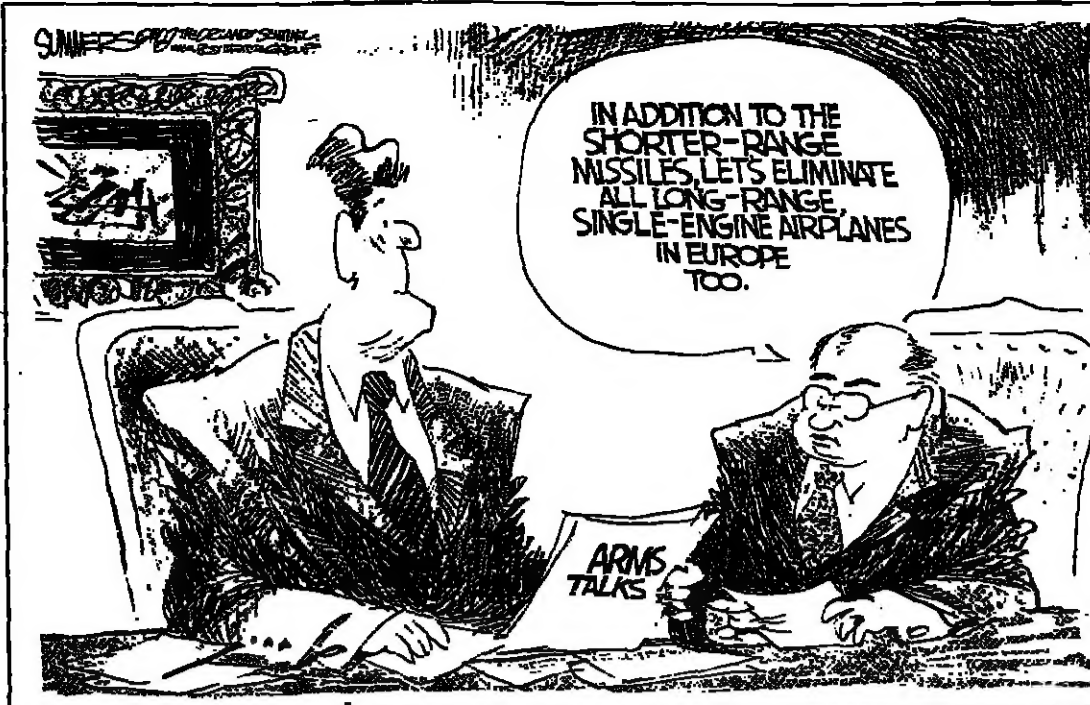
Up to a point, this is vintage Helms. What is new is that the Republican senator has rallied twice the dozen or so archconservative Senate colleagues he can usually count on when making life miserable for Reagan appointees. A modicum of respectability has been added by the inclusion of the minority leader, Bob Dole. As majority leader, Mr. Dole used to insist in these matters on a reasonably prompt test — on the merits.

But Mr. Dole now is running for president. Renamo has a lobbyist papering Congress with geopolitical junk mail. Clearly, right-thinking about Renamo will be made into a litmus test when it comes to raising money from conservative sources in next year's campaign.

A preliminary, procedural vote suggests that Ms. Wells would win 56-28 if the question were put to a decisive test. But Mr. Helms and his wrecking crew are threatening a filibuster and the Democratic majority leader, Robert Byrd, wisely wants to have the extra votes that would be needed to limit debate and bring this squalid business to a close.

Secretary of State George Shultz has let it be known that he and the president will hang tough. That is their duty, and their right. The Senate's duty is to demonstrate that it is worthy of its right to a reasonable role in the conduct of foreign policy. That means not permitting its power and its procedures to be subjected to such shabby abuse.

Washington Post Writers Group.



LETTERS TO THE EDITOR

The Iran-Contra Affair: An Issue of Legal Boundaries

Regarding the opinion column "Congress Is Invading the President's Space" (May 27) by George F. Will:

The Reagan administration now argues that the Boland amendment [restricting U.S. support for the Nicaraguan rebels] did not apply to the president or the National Security Council. This sounds like a prelude to yet more damaging revelations. The thesis falls on at least two counts.

First, since the president is the executive agent of the law, he is bound to act within its boundaries. That the law does not apply to the president files in the face of constitutional reality. To assume otherwise would undermine the foundation of American government.

Second, the National Security Council is not an operations group. It was created by Congress in the National Security Act of 1947 to serve the president in an advisory capacity. The NSC was not included in the language of the amendment because it is not a legitimate agent of American foreign policy.

Mr. Will says that the president "should long ago have argued that laws like the Boland amendment are not laws; they are unconstitutional." This is a magnificent leap in argument supported only by sentiment, not by the constitution.

It is profound frustration with political opposition that moves conservatives to reach for the constitution. A sound and just policy could be defended on its merits. A sorely contested political issue should not be obscured by such appeals.

For all its wonders, American government is not graced with a precise delineation of authority, particularly in the realm

of foreign policy. Congressional prerogative is fluid, rising and falling in time for reasons of experience, initiative and politics. U.S. foreign policy may not be neat and that is unfortunate, but recent history suggests that unfettered executive supremacy abroad tempts tyranny at home.

The problem with the administration and its apologists is that they are uncomfortable with democracy. The government works best at home and abroad when we deal with the reality of opposition and the necessity of compromise. The test of leadership is to grow stronger in the face of a challenge.

When its spirit is not acknowledged, the law is more conducive to oppression than to justice. This president may have violated the spirit and the letter of the law. I would suggest that the former is the more serious offense.

JOHN GALLAGHER, Oxford, England.

The truth is that the constitutional debate over the division of powers has now been conducted for 200 years. The constitution's ambiguity has served the nation well, allowing Lincoln and both Roosevelts, among others, to act unilaterally when the nation's interest required.

When the president is right, events prove him right, and Congress eventually applauds (remember Grenada?). When he is wrong, events prove him wrong. Congress says "I told you so," holds illuminating hearings and then writes legislation to prevent the last war. May the debate go on forever!

[Name withheld], Turin.

Congress, through crackpot legislation such as the Boland amendment, is attempting to control all of the details of foreign policy which, of course, it cannot do. We should all realize by now that a Democratic Congress is playing politics and trying to downgrade the president and the Republican Party, even if it involves tearing the nation apart much to the consternation of our European allies.

MARTIN J. ROESS, St. Petersburg, Florida.

If aid to the contras did not violate the Boland amendment as the White House now claims, then why was the aid given in such utmost secrecy? If the whole thing was perfectly legal, then why did Colonel North and Admiral Poindexter refuse to testify? And why did the president, who is known to be nearly obsessed with his attempts at overthrowing the Nicaraguan government, not simply come forward and supply the purportedly legal aid?

"It is certainly not a fallback position. It's been our position all along," said the White House chief of staff, Howard Baker. Then why do we hear of it only after months and months of public agonizing? This is a sad and cowardly performance that smells of a coverup.

LEONARD SUHL, Fortimã, Portugal.

Regard for Power's 'Crew'

I find Jonathan Power's opinion column, "Population: Don't Be Frightened by the Numbers" (April 27), to be a very narrow analysis of the problem raised by the world's galloping birthrate. A world population "growing by

The 'Perfect' Dad's Day Gift: An Embarrassment of Riches

By William E. Geist

NEW YORK — "Subway Vigilante" is a lovely song with a nice melody and a real folksy quality," asserts Ronald Gold, whose group recorded the number, subtitled "The Ballad of Bernhard Goetz." "It is sing-

MEANWHILE

able, hummable and danceable — the perfect Father's Day gift."

Mr. Gold is the lead singer of Ronnie & the Urban Watchdogs, a yet to be popular group. He had about 500 records on hand for Father's Day but rushed-ordered 10,000 more after the acquittal of Mr. Goetz of all but one charge.

"Subway Vigilante" was just one of hundreds of products touted in advertisements as that "perfect gift for Dad," from lube jobs and lawn sprinklers to Steuben Glass penguins and sterling silver money clips that would leave dad with precious

little to put in them. Dad, after all, often participates in financing these purchases.

One would think that by now some consumer protection agency or other would have swooped down on Father's Day, when hundreds of millions of dollars are spent by children on such gifts.

Sometimes mothers, who may still be tuning over the jumper cables they received for Mother's Day, help the children with Dad's Day purchases. There are no laws to stop a disturbed mother from advising the children to buy mesh T-shirts, rum-soaked cigars or "lawn aeration sandals" — spiked sandals for casual strolling and lawn aeration.

A bulletin from the National Confectioners Association was headlined, "Survey Says Most Dads Don't Get What They Really Want on Father's Day." Good thing, or it might be the last day they spent in their own homes.

"Seventy-one percent of all fathers said in a national survey that they would like to get candy," said Richard T. O'Connell, president of the National Confectioners Association. "But only 10 percent actually do. Mother's Day confectionery sales topped \$286 million, but Father's Day sales are only about one-quarter of that."

"Our research," he said, "shows that more telephone calls are made on Mother's Day than on Father's Day and that more collect calls are made on Father's Day than on any other holiday."

AT&T officials said about four million more calls are made on Mother's Day than on Father's Day. They could not immediately confirm the shameful collect-call situation, but said that it is widely believed to be true.

Lawn sprinklers and such are fine gifts, Mark Brenner supposes, but Mr. Brenner, the president of the Foot Couch Co., of Manhattan, said that only his invention was the actual "perfect gift for Dad." The Foot Couch is a thing you put under your feet when you put them on your desk. It costs about \$40.

"Putting your feet on your desk is in fashion," he said. "It is a sign of calm, casual confidence and power. President Reagan puts his feet on his desk. So do Ted Turner, Paul Volcker, Senator Bob Packwood and lots of others."

"Monarchs of Europe and pashas of the Ottoman Empire put their feet up," he said, adding, "I would sure love to get out of inventory on these things."

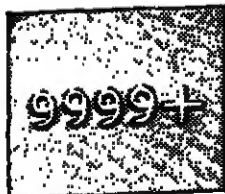
The Foot Couch comes in two models: the elegant "Connoisseur," with a butter-soft leather-top cushion attached to an elegant marble base, and the "Masseuse," a piece of rosewood with a tufted, genuine leatherette top cushion, all of which vibrates.

Mr. Brenner said that, sure, the Foot Couch has a variety of other uses. Kindling? Disposability, after all, is critical in the perfect Dad's Day gift.

The New York Times.



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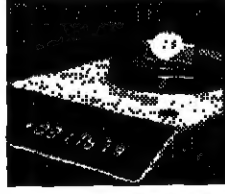


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ARTS / LEISURE

Kassel's Disappointing 'Documenta'

By David Galloway

KASSEL, West Germany — Located within peering distance of the East German border, this is an improbable destination for the cultural pilgrim. A disgruntled Australian journalist once described Kassel as "a dead-end little city, drowning in the agricultural riches of the German outback." Nonetheless, an estimated 300,000 visitors are expected to find their inconvenience way here in the next three months.

Few will have the Brothers Grimm Museum as their goal, and fewer still the nation's only wallpaper museum or the bizarre wood museum. Those are year-round attractions, but the mammoth art spectacular called Documenta is staged only twice a decade. In its eighth incarnation, the world's largest show of contemporary art features nearly 200 participants. This time, painting and sculpture are complemented by architecture, design, electronic music and video.

Sculptures and installations are scattered throughout the city, but the real nucleus of Documenta 8 is found in two historic buildings: the Museum Fridericianum and the Orangerie. The former witnessed the birth of Documenta in 1955, as an attempt to close the modernist gap the Nazis had left behind. Though severe wartime damages were only temporarily repaired, the Fridericianum seemed the ideal setting for such an experiment. It had opened in 1779 as Europe's first public museum.

The spirit of improvisation and discovery lent the early Documentas a dynamic that can hardly be recaptured today. Audiences are better informed, harder to shock, and

want to take art marathons in stride. The Fridericianum, too, reflects the changing times. The recent and radical renovations have produced a warren of concrete halls and cubicles that would better serve as the bottle-washing plant for a local brewery. In erecting temporary walls within this cheerless shell, the outraged architect for Documenta 8 turned the entire installation three degrees on its axis. Passing from one room to another, visitors thus have unexpected glimpses of the back-stage horrors.

By ripping out the massive central staircase, the renovators deprived the Fridericianum of any architectural logic. The upper stories are reached via a series of side staircases that often end in blank walls. As though willfully collaborating with this Mad Hatter principle, the director of Documenta 8 has selected a theme that even his most ardent supporters are hard-pressed to clarify. "Art," said Manfred Schneckenburger, "has found a new relationship to history and society."

Theoretically, at least, Documenta 8 should demonstrate that thesis. In doing so, it understandably excludes the gestural, autobiographical, neo-Expressionist works that dominated Documenta 7. Yet it includes the lyric abstractions of Gerhard Richter and the stone monoliths of Ulrich Rückriem, which seem conspicuously remote from any socializing tendency. History is painfully present, on the other hand, in the dubious painting-assemblages of Robert Morris — overpaintings, in fact, of photo enlargements of the most horrifying scenes from liberated concentration camps.

The relevance to society is perhaps best

illustrated by a new generation of sculptors who have adapted the form-language and materials of architecture — by definition, a more "public" medium. (Yet three of the best of these "constructors," including the brilliant Reinhard Mucha, were excluded after nasty political strife with the Documenta direction.) Such achievements are paralleled, in turn, by the triumph of aesthetics over functionalism in post-modern architecture. The decision to include architects like Hans Hollein and Arata Isozaki was surely correct, but their presentation manages to muddy more issues than it clarifies.

Nonetheless, there are refreshing discoveries to be made, and most of these in the form of video or electronic installations. The American Jenny Holzer has produced a mausoleum-like setting: a pair of granite slabs bearing the same "home truths" that run over digitalized light-boards mounted vertically on the wall. Despite the funeral atmosphere, here is a world of absolute authority — spare, poetic, provocative.

Similar qualities distinguish the work of Belgian artist Marie-Jo LaFontaine. She has erected a wall of 27 television sets that suggest a railway trestle or, perhaps, a triumphal arch. The video film that plays over this monumental field shows body builders straining toward physical perfection. These are not muscle-bound hulks but the clear-browed youths of Aryan fantasies, as they might have been dreamed by Hitler's favorite director, Leni Riefenstahl.

LaFontaine works exclusively in black and white, but achieves with it a depth and richness approached only by the best vintage

photograph. There is no European video artist who commands this virtuoso mastery of craft. Even Nam June Paik, who presents a superb video homage to Joseph Beuys, seems quaintly old-fashioned in comparison.

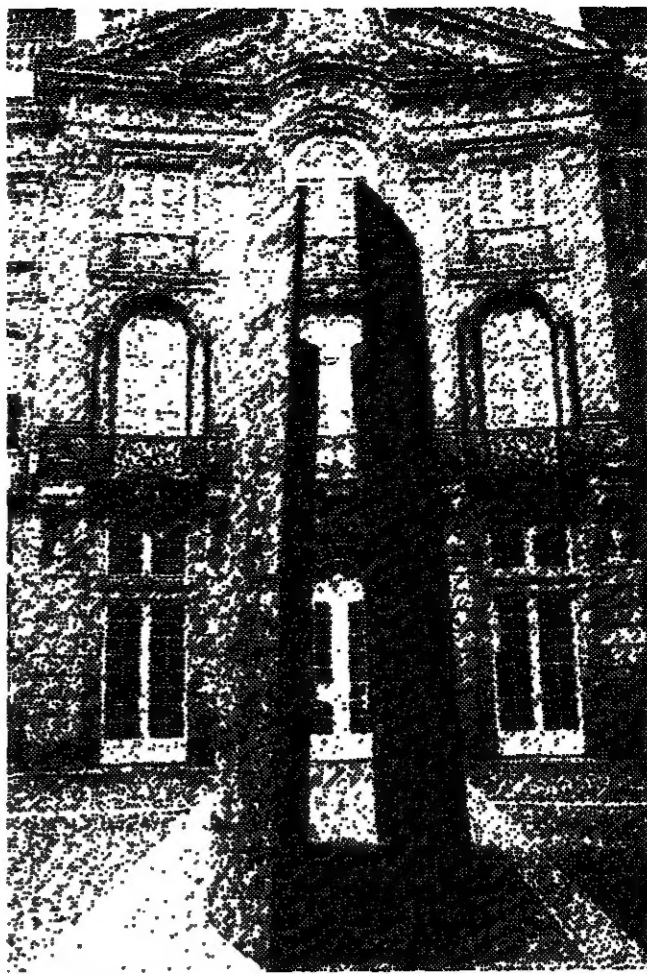
Beuys's provocative posturings might have lent this exhibition the cutting edge it lacks. Yet the great shaman is not entirely absent. In addition to Paik's tribute, there is an impressive ensemble of bronzes cast from Beuys's last major installation, "Lightning with Stag in its Glare." Furthermore, Documenta 8 was opened with the planting of the last of 7,000 oak trees that the artist began as an environmental action at Documenta 7.

If plucking the raisins from Kassel's indifferent fruitcake is insufficient reason for visiting Germany's frontier outpost, a stop in Münster more than compensates, to visit its open-air sculpture festival. Fifty international artists have selected their own sites and planted their own fantasies within the city.

Richard Serra's work has never looked more eloquent or persuasive than it does before the baroque palace of Erdrostenhof. And on the lawn beside the local music school, Keith Haring's familiar mottos howl at the sky. It is the graffiti artist's first major venture into sculpture.

Wandering in the city, map in hand, or renting a bicycle to see the artistic sites, visitors can regain the sense of discovery that was once synonymous with Documenta.

David Galloway is a writer and professor based in West Germany.



Serra's "Trunk," eloquent at the Münster sculpture festival.

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Cantonese Opera, Caught Between Past and Future

By Nicholas D. Kristof

New York Times Service

HONG KONG — A little 72-year-old who still exerts in his back flips, Sun Marai is the lord of Cantonese opera. An energetic man whose hands flutter through the air as he speaks, Sun packs theaters with his fans, who are often so overwhelmed with his grace and singing that they throw rings and necklaces and money upon the stage after a performance. His dominance of Cantonese opera makes Pavarotti seem like a flash in the pan.

Not everyone is so impressed, however. His 9-year-old daughter confesses that she does not like Cantonese opera. She prefers Alan Tam, the Hong Kong pop singer, whose melodies resemble rock songs everywhere. "She likes Cantonese opera, she likes it," said the father. "I don't like it, I don't like it," said the daughter.

And therein lies the challenge for Cantonese opera, and indeed for much of Chinese culture: How can traditional arts such as opera or calligraphy, which flowered with

one of the world's greatest civilizations, attract today's generation of denim-clad Chinese, seduced by Western songs, films and way of life?

To a foreign ear, Cantonese opera may be a musical experience rivaled only by a classroom of second-grade maestros scratching their fingernails on a blackboard. Yet, if the singing is an acquired taste, the grace and subtlety of movement impress even the most callow observer.

Like its northern cousin, Peking opera, Cantonese opera combines a libretto that borders on poetry with magnificent costumes and choreography. The movements and makeup seem more natural than those of Peking opera. And Peking opera is performed in Mandarin Chinese instead of the Cantonese dialect spoken in Hong Kong.

Older people in Hong Kong still love Cantonese opera, and prize it as the bulwark of traditional culture. Its heyday, in fact, came during this century, from the 1920s to the 1950s. At a government-subsidized performance this month in a Hong Kong gymnasium, opera-goers, many of whom could remember foot binding and Imperial China, began lining up more than an hour before the performance and filled every nook of the auditorium. "Young people don't like to see Cantonese opera; that's left to old hags like us," said Sin Ngan-kwan, a tiny 84-year-old woman with hollow eyes and memories of the opera she saw as a girl growing up in Guangzhou, as Canton is now known.

Young people spurn Cantonese opera partly because of its complexity and subtlety — which, to others, are its virtues. Every gesture, every wish of a long white sleeve, every tint in the painted faces conveys meaning. A whip in the hand means that the actor is riding a horse; a red face suggests righteousness and a white face, craftiness.

Therefore the dilemma for Cantonese opera is whether to maintain

traditional purity, or to make opera more accessible by modifying it. In essence it is the same question that Western culture faces: Should Shakespeare be translated into a modern idiom, or can an Italian opera be performed in English? Without adaptation, traditional cultural achievements — such as Tang Dynasty poetry in China or Ovid's Metamorphoses in the West — tend to wither in influence.

The quandary may be particularly acute in the Chinese world, where conformity to artistic tradition plays a greater role than in the West. Chinese painters, for example, traditionally copied the exact works of their masters over and over.

In the United States, it sometimes seems as if every 25-year-old director feels obliged to interpret Sophocles in a radically new way, often a tribute more to imagination than to judgment. In the Chinese world, on the other hand, the artist feels obliged to follow his elders.

Cantonese opera, which dates from the first half of the 18th century, has changed in some ways. Early in this century many libretti were written in colloquial language. Western instruments are sometimes found in the orchestras. Sets are more elaborate, and microphones are common. "It is good to change, to keep good elements while allowing others to die out," said Leung Fuk-man, an expert on Chinese opera at the Chinese University of Hong Kong.

Cantonese opera originated with troupes who wandered from village to village, performing in the streets or in tea-houses. Even today, Cantonese opera is more the Oriental equivalent of vaudeville than of Western opera. In Hong Kong, an opera is a casual evening out, to which the Chinese wear old clothes and perhaps gnaw on a chicken foot during the performance.

Western opera connotes sophistication, so people might feign enthusiasm even if they do not feel it. But the folding chairs, constant chatter and discarded chicken



Every tint in the make-up conveys meaning.

bones in the audience of Cantonese opera suggest to some young people a legacy that is more embarrassing than inspiring.

Today the greatest cultural stars in the Chinese world are pop singers like Alan Tam and Anita Mui, whose rock music is based on Western and Japanese styles; or cello-loud heartthrobs like Jackie Chan, a martial arts expert who is Hong Kong's most eligible bachelor. Cantonese opera buffs scoff at the crooners, just as devotees of Barbra Streisand or Bruce Springsteen or Barbra Streisand.

For all of the obstacles facing Cantonese opera, there does seem to have been a modest revival in the last few years. Last year, for example, some 22,000 people attended performances in the New Territories section of Hong Kong, up from 15,000 a year earlier. A few new troupes have also been organized. But even opera singers say that the principal reason for the revival is increased support from local governments.

While some young performers study Cantonese opera, there are no sweeping attempts to reinterpret the medium. Few new libretti are

written today, and no Arthur Miller has appeared to substitute modern themes and everyday people for the old folk tales, kings and generals that usually dominate the operas. Even the younger students of Cantonese opera sometimes regard it as only a sidelight.

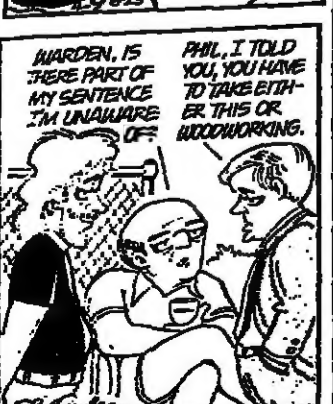
Tin Kiu-wan, a 25-year-old woman who has been studying Cantonese opera for three years, said that the field did not pay well enough these days to attract her as a career, so she will pursue Cantonese opera only part time.

"I want to be a star," she said, "but a part-time star."

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Pyramid Corridor Find

Agence France-Press

CAIRO — Japanese researchers may have found part of a corridor leading to the queen's funerary chamber in the Cheops pyramid, the semi-official Al Ahram daily said on Monday. Al Ahram quoted the head of the Egyptian Antiquities Office, Ahmed Kadri, as saying that the discovery was made by a team from Tokyo's Waseda University, and had revealed the existence of a cavity near the queen's funerary chamber.

The researchers used an electro-magnetic device to sound the depth of the pyramid as far as 10 meters (33 feet) deep. A more sophisticated device capable of sounding the depth of the pyramid as far as 100 meters was needed to confirm the finding.

Kadri added that Egyptian scientists would meet with officials of the Ministry of Scientific Research to discuss the future of these findings "considering the importance they represented."

The Grand Hotel in the mountains

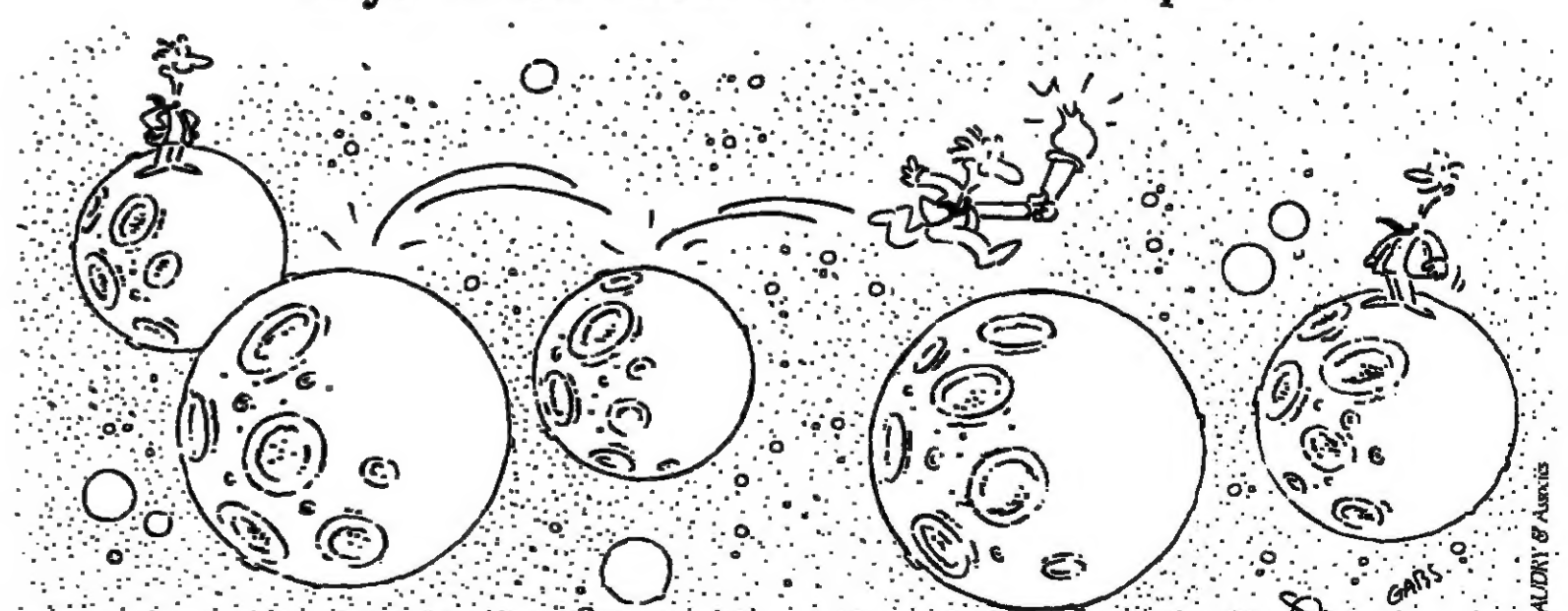
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IBM	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2

Market Sales	
NYSE adv. vol.	175,218,000
NYSE adv. vol. close	175,218,000
NYSE adv. vol. open	175,218,000
NYSE adv. vol. close	175,218,000
NYSE adv. vol. open	175,218,000
NYSE adv. vol. close	175,218,000
NYSE adv. vol. open	175,218,000
NYSE adv. vol. close	175,218,000
NYSE adv. vol. open	175,218,000
NYSE adv. vol. close	175,218,000

NYSE Index				
High	Low	Close	Chg.	Prev.
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2

Monday's
NYSE
Closing
Via The Associated Press

AMEX Diary	
Advanced	25 1/2
Declined	25 1/2
Unchanged	25 1/2
New High	25 1/2
New Low	25 1/2

NASDAQ Index	
Close	25 1/2
Prev.	25 1/2
Chg.	+1/2
High	25 1/2
Low	25 1/2

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2

Dow Jones Bond Averages				
Class	Chg.	Prev.	High	Low
Bonds	+0.21	92.11	92.11	92.11
Utilities	+0.27	92.11	92.11	92.11
Industrials	+0.33	92.11	92.11	92.11

Dow at Record as Buyers Return

NEW YORK — Prices on the New York Stock Exchange continued their advance Monday as buyers returned to equities after two weeks of hesitation, sending the blue-chip Dow Jones industrial average deeper into record territory.

The Dow average, which rose 43.12 points last week, climbed another 24.66 points Monday to finish at 2,445.51, its fourth record close in the last five trading sessions. Advancing issues led declines by 8-7.

Broad-market indexes also hit new highs. The New York Stock Exchange composite index gained 1.24 to 173.77, surpassing its old mark of 172.53 set Friday. Standard & Poor's 500-stock index added 3.68 to 309.65. Its old high of 306.97 also was set Friday. The price of an average share jumped 30 cents.

Volume amounted to about 178.21 million shares, down from 220.48 million Friday.

Most analysts and traders said they expected the market to move higher at least through the next two weeks as investors that hung back during the Venice economic summit meeting earlier this month and in the week leading up to the "triple-witching hour" Friday return to the market.

Monte Gordon, research director of Dreyfus Corp., said that Monday's strong showing continued trend of the last 10 days.

"The interesting thing now is the awareness of the strength that is in there," Mr. Gordon said.

"The key is a sense of stability," he said. "There's a sense that the dollar is stable. There's

Dow Jones Averages				
High	Low	Close	Chg.	Prev.
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2

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Vol.	High	Low	Last	Chg.
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IBM	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2

NYSE Index				
High	Low	Close	Chg.	Prev.
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
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Dow Jones Averages				
High	Low	Close	Chg.	Prev.
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12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2

NYSE Most Actives				
Vol.	High	Low	Last	Chg.
AT&T	287 1/2	287 1/2	287 1/2	+1/2
IBM	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2

NYSE Index				
High	Low	Close	Chg.	Prev.
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2

Dow Jones Averages				
High	Low	Close	Chg.	Prev.
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2
12,512 1/2	12,512 1/2	12,512 1/2	+1/2	12,512 1/2

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2
Amgen	125 1/2	125 1/2	125 1/2	+1/2

(Continued on Page 16)

TechnologyQuarterly

Issue No. 1

DEPARTMENTS

Research 11

New York to Tokyo in three hours? More than fantasy, that is what aerospace experts are planning with the supersonic hypersonic planes of the future.

Developments 12

In a thermonuclear war, detection of noise produced by the propeller of a single missile submarine could prevent the destruction of scores of cities. That's why a recent sale of Japanese technology to Moscow has helped sour U.S.-Japanese relations. The details.

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For Sweden's highly innovative automobile industry, the manufacturing system of the future will be built on a lesson from the past: the human factor is the key to performance.

At Home 14

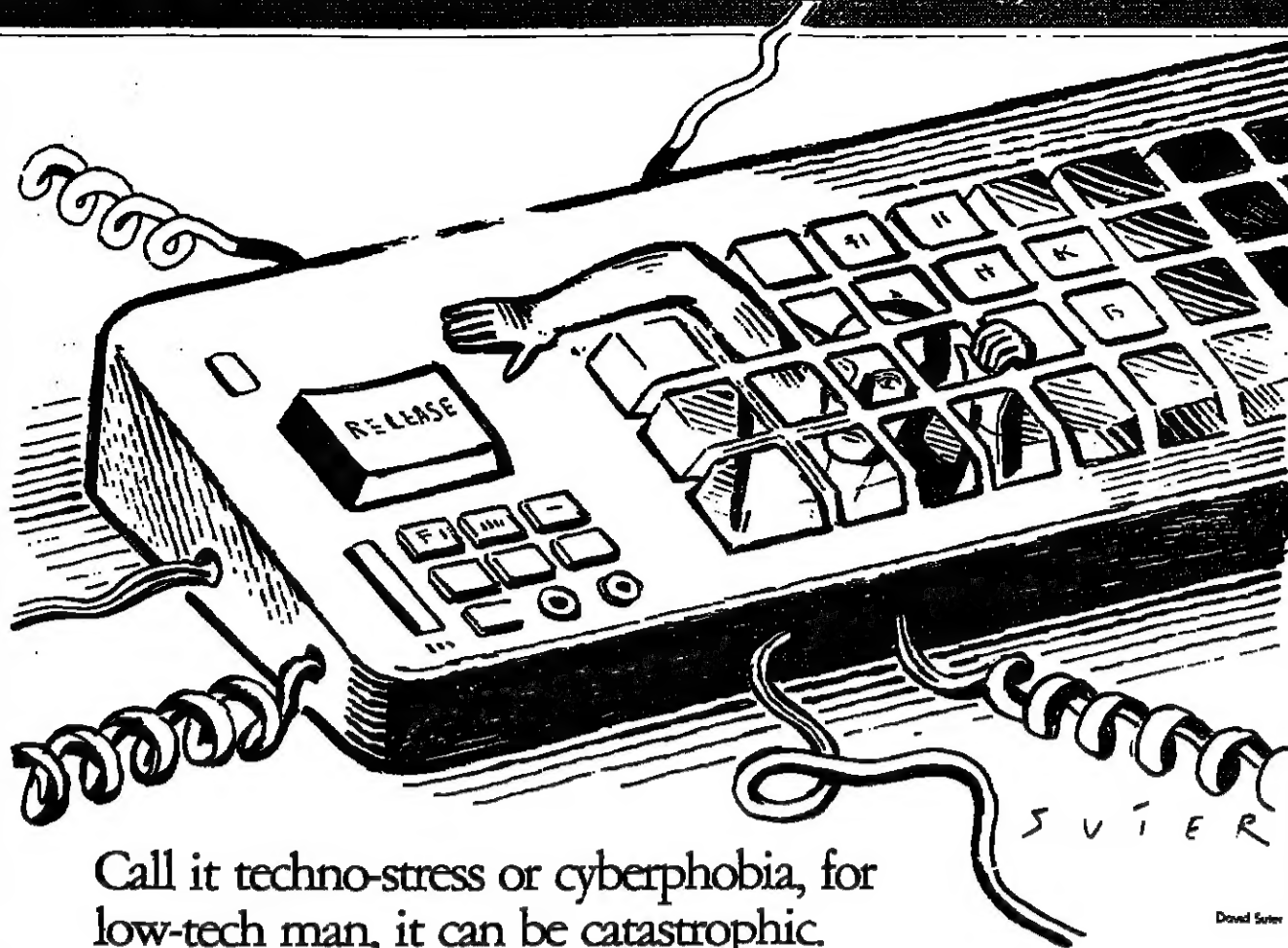
Just when you thought you had the very latest in audio-video equipment, you're hopelessly out of date. The latest must-have product: compact disc video.

Interview 11

To most mortals, the limits of space are as short as the imagination. To Patrick Baudry, a French astronaut, the concept of conquering space is as long as several millennia and defined only by the limits of the human mind.



Down to Earth: Patrick Baudry signing autographs.



Call it techno-stress or cyberphobia, for low-tech man, it can be catastrophic.

As the Dream Machines Arrive, So Do the Neural Nightmares

An Essay
By Curt Supplee

WE HAVE SEEN the future and it horrifies. Thanks to the high-tech explosion, we are suddenly up to our nose cones in alarm watches, car phones, beeper pagers, portable TVs, automated teller machines, talking cameras, speed-grub vendors, electronic mail, microwave chow-blasters and computers.

No wonder we are twitching like lab rats. Our offices are now "open architecture" caverns bristling with "privacy" panels; the venerable desk a "workstation"; the principal tool a video display terminal. Everything that isn't beeping is getting ready to hoot, bong or buzz. Everything that isn't running too fast is either broken or out of date.

The net result is a neural nightmare. Call it techno-stress or cyberphobia, for poor low-tech man, an amiable hominid still getting used to walking erect, the strain can be catastrophic.

It wasn't supposed to happen that way. Back in the optimistic 1950s, when the phrase "labor-saving device" was uttered in tones of grateful reverence, it was assumed that our pulsating technological progress would produce a self-defrosting nirvana of unprecedented leisure.

What we got instead was a sort of historical bait-and-switch: In place of a gizmo paradise of "spare" time, we found ourselves forced to cram more events into the same interval at the behest of high-speed machines that are increasingly incomprehensible.

Which may explain why you are having trouble concentrating these days. The combination of more and briefer events arriving at ever-diminishing intervals constitutes a vast behavior modification pro-

gram, making the threat of shortened attention span a self-fulfilling prophecy.

According to a University of California Los Angeles research team, concentration suffers most in tasks where people are required to interpret new events by comparing them to events in short-term memory, and where new events occur rapidly. Time pressure compounds the problem. Hence the agonies of air traffic controllers.

And yet that is also a fairly accurate description of modern life. You are flipping between programs on your PC when the phone rings — a voice-synthesizer solicitation for radar detectors. But you are interrupted by the call-waiting tone. It's your doctor calling from his car phone with the results of your CAT scan. Your blood pressure hits max just as your pager begins to beep.

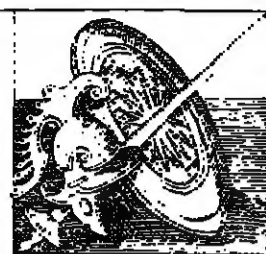
Up to a point, stress works to our advantage, generating brain chemicals such as dopamine and norepinephrine which enhance our attention capabilities. But when the input is too great, the system crashes. And here in the silicon decade, says Dr. Mardi J. Horowitz, director of the Center for the Study of Neuroses at the University of California San Francisco, we may be approaching overload.

"When a person is presented with a stimulus, especially one that is jangling in some way, a series of conceptual and emotional processes are set in motion," he said, at both the conscious and unconscious levels in "multiple channels of consideration." But when the next jangle comes too soon, the flow is blocked.

Continued on page 10

Live-in-Bed Research Prepares Spacemen For Flight to Mars

Experiment simulates long-term exposure to weightlessness.



By Kathy Sawyer

WASHINGTON — At a special facility in Moscow, a dozen healthy volunteers have just completed one year of lying down — and in fact living — in bed at a 6-degree head-down slant.

In the United States and France, other groups of volunteers have endured the same conditions for much shorter periods, ranging from a week to three or four months.

These volunteers are guinea pigs in a most difficult, and increasingly crucial, area of space research: How do people stay healthy and able to function for long periods in the unnatural weightless environment of space?

The search for answers to this question is intensifying, spurred by increased international interest in a manned mission to Mars, a voyage that will require humans to function in space for eight months in transit each way and, between, on the surface of Mars.

Soviet officials have indicated that they intend to carry out such a mission early in the next century. In the United States, the independent National Commission on Space has recommended a manned Mars flight by the year 2015 and the government, although uncommitted, has stepped up its research.

While the technical challenges are formidable, there are also considerable physiological stumbling blocks. After millions of years of adaptation to gravity, the human body in the weightless state quickly develops a number of problems, according to researchers.

The body starts to get rid of fluids; the heart starts pumping 15 percent less blood and so must beat faster to keep up; the muscles, no longer resisting gravity, begin to atrophy, and the bones start to lose calcium almost immediately. In addition, half of all space flyers develop motion sickness for up to four days at the beginning of a flight, a condition that may return toward the end or even after the flight is over.

"We know the major physiological changes that take place over two to four weeks, but we do not understand the mechanisms underlying all these changes," said John Billingham, chief of the life science division at the National Aeronautics and Space Administration's Ames Research Center in California.

"And the key thing is that we do not know the extent to which these changes will continue to progress over longer and longer periods of weightlessness."

Reproducing the effects of weightlessness on the ground is difficult, he said. "The only effective way we have of doing so for long periods is to put people in the horizontal position."

Researchers around the world have adopted the 6-degree, head-down slant as the best way to simulate many of the effects of weightlessness on the body, he said. The position is maintained using methods developed for chronically ill hospital patients, with the aid of a nursing staff. Volunteers are allowed to prop themselves up on one elbow to eat. They shower in bed using hand-held nozzles, and they use bedpans, Mr. Billingham said. If they exercise, they do pushing or bicycling workouts in the prone position.

Ames has conducted studies of up to a month, he said, and a bed rest program at NASA's Johnson Space Center in Houston

Continued on page 11

To Our Readers

WITH this first issue of TechnologyQuarterly, the International Herald Tribune expands its coverage of the world of high technology.

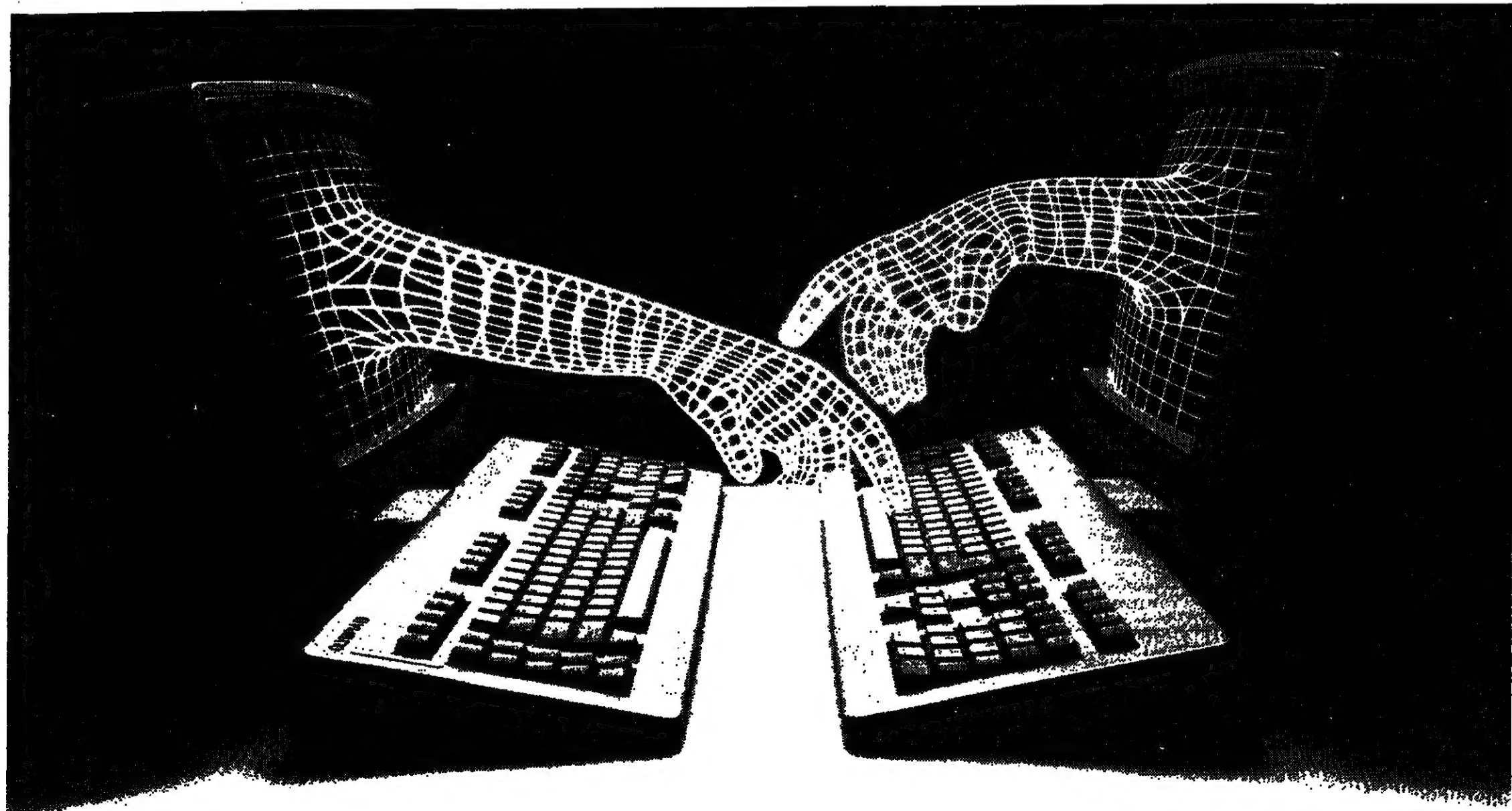
Four times a year, in June, September, December and March, TechnologyQuarterly will report on research, trends and developments — from home electronics to robotics, exotic new materials and beyond.

In this issue, we explore man's (and woman's) ability to adapt to technology, at home, in the workplace and on the way to Mars.

On Sept. 22: The next issue of TechnologyQuarterly will report on integrated systems for global manufacturing, computer applications in the art world, the new car models and more.

The electronic factory: teaching machines to like one another.

Innovative technology from AEG. Here's more:



Electronic intelligence from AEG lets various machines in a manufacturing plant actually communicate with one another. We call it "flexible automation." And, just as with people, machines working together mean increased production, lower energy costs and improved quality. And the real people get to take up more challenging jobs.

We currently have, under test, an automatic speech recognition system which will turn computers into "listeners" as well as "thinkers". Future generations of computers will take direction from the human voice, not the keyboard. The result? Simplified interaction between human and machine, and expansion of computer applications.

AEG has already brought to market stoves which "cook cold". These technological wonders are induction stoves which collect heat in the pot rather than the cooking surface. The stove turns itself off when the pot is removed or emptied. The result? Greater safety and appreciable energy savings.

AEG software engineers have developed a CAD (computer aided design) software package that itself is capable of designing the circuitry and wiring plans for a huge factory. This unique program can do little jobs, too. Speed and accuracy in this type of work means big savings.

AEG

Technology Essay

As the Dream Machines Arrive, the Neural Nightmares Get Worse

Continued from page 9

"Some experiences are bumped out of the storage line. Some just remain because they are important and stressful, but they remain in an incomplete mode of processing," he added.

In time, he said, "people have larger and larger loads of unfinished business. When this gets too great, it begins to affect their subjective experience, interrupting concentration with intrusive images, their sleep with anxious wakefulness or troubled dreams, and their capacity to love and enjoy experience with an impatient restlessness to go on superficially to still the next thing."

We can't even cool down with our so-called leisure time consumables, since managing today's mega-tech chattels is itself a full-time job. Want music? You'll have to brave a multimodal stack of controls resembling the command deck at a nuclear power station — and understand scanning FM multiplexers, CD laser-readers, Dolby damping filters, supertweeters and subwoofers.

Video? A living hell. The single most prevalent neurosis in middle-class life is "hook-up hysteria" caused by VCR machines: Everybody buys one, but nobody can install them.

We use computerized hydraulic exercise ma-

chines that look like something out of Torquemada's back room; a Krups coffeemaker has a timer program you could use to run a NASA launch. In fact, the superfluity of choices is itself a major source of anxiety. Your ordinary clothes washer has several dozen option combinations; cable TV carries 72 channels; and by the time you've set the controls on that "relaxing" white-noise generator, you're too frazzled to listen.

Worse yet, devices that were once largely self-explanatory are now impenetrably baffling. Car dashboards look like an aerial view of Las Vegas at night. And woe to the yeoman who opens the hood. Gone is the familiar air cleaner, the venerable carburetor itself — replaced by a hydraulico-demonic tangle of injector hoses and turbo-tech that only an abdominal surgeon could love. Ditto for so many of the intuitively comprehensible gizmos of yesteryear.

"Any child of 50 years ago," writes Bernard Dixon, a microbiologist, in the journal of the New York Academy of Sciences, "looking inside a household clock, with its escapement and weights or spring, could see in a few minutes how it worked. A child of today peering at a digital watch can learn nothing." Consequently, he warns, we are developing a "black box" mentality — "an unease born of

the suspicion that events have actually moved beyond our power to affect or even to comprehend."

Nowhere is this more evident than in the very real neurophysiological strains of the modern workplace.

Several years ago, the National Institute for Occupational Safety and Health began to include psychological disorders on its list of leading work-related illnesses and has set a high priority on stress-reduction in U.S. offices. Among the top debilitators are clerical work involving computers and video display terminals (VDTs), which, the institute found, produced a higher level of tension than air traffic control.

A new study from IBM's Watson Research Center shows that people still read faster and more accurately from paper than they can from virtually all computer monitors now in use. To achieve equal performance, IBM's research shows, users need CRTs with roughly twice the resolution now generally available.

But don't count on a new screen this year. Even at user-friendly AT&T, a company consultant conceded at a recent symposium, "it is difficult — often impossible — to reverse prior [production] decisions on the basis of human factors considerations."

Meanwhile, modular office designs and pri-

vacy panels cut employees off from wholesome social byplay, and because the technology favors discrete-task equipment run by specialists, workers get less variety and more machine-paced repetition. Thus, writes Philip Kraft in *Computerworld*, the "office of the future is no more than an attempt to make the office of the present look like the factory of the past."

W HERE that not enough, the beleaguered document-jockey is now beset by the most relentless surveillance in the history of corporate snooper. Thanks to cybernetic oversight, management can easily meter the precise number of minutes an employee works, tally breaks down to the millisecond, count outgoing phone calls and obtain an immediate readout of a worker's productivity compared to that of his colleagues.

Word-processing software can monitor how many keystrokes an operator expends on a given document and track the amount of time spent on revision. And several U.S. companies are now using programs that display selected messages on workers' computer screens, from pop-up "flash card" reminders to flickering subliminal suggestions that last only 1/100th of a second.

It is no surprise, then, that in the United

States workers' compensation claims based on job stress have more than doubled since 1980 and now account for about 15 percent of all occupational disease claims. A 1985 University of Georgia study of workers in 18 public and private sector organizations found that 45 percent suffered from some form of psychological burnout.

Recent surveys by the National Association of Manufacturers indicated that the highest stress ratings derived from lack of appreciation, job instability, social isolation at work and ambiguous job descriptions.

All this at a time when more is being asked of workers every year. "The more sophisticated we make our factories," said John Clancy, president of McDonnell Douglas Manufacturing Systems Co., "the more dependent we become on the sophistication of people who run them."

Too bad. When it comes to scientific literacy, the average American ranks only slightly above gerbils. In a national survey conducted in late 1985, the National Science Foundation discovered that just 31 percent of U.S. adults comprehend radiation, 24 percent understand what software is and barely 20 percent think they know how a telephone operates. But don't count on it.

The study also found that 40 percent believe

alien spaceships have visited Earth and that there are such things as lucky numbers. The ratings are still lower for those aged 18 to 24, on whom the future of the U.S. economy will depend.

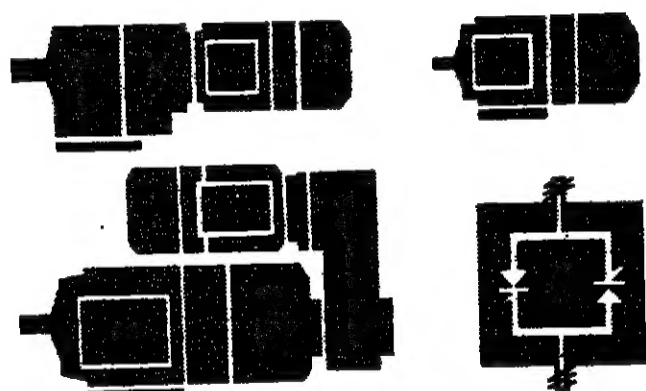
If the techno-spo doesn't change, perhaps we will. Since World War II, reports the February issue of the *Human Factors Society Bulletin*, "research literature has shown that, as people's conceptual complexity increases, they become less authoritarian, more open-minded, have less need for structure and rigid rules, have greater tolerance for ambiguity and become more effective group problem solvers and decision-makers. This tends to be reflected in a dynamic, rather than static, view of the world, in more openness to change, and in a different set of attitudes towards work and organizational structures."

We'll need it. After three years of study, Active Office Systems, a U.S. research firm, has determined that workers are most productive, healthy and alert if they do their VDT work while walking on an electric treadmill. Whether the idea takes off remains to be seen. But it's a metaphor for our time.

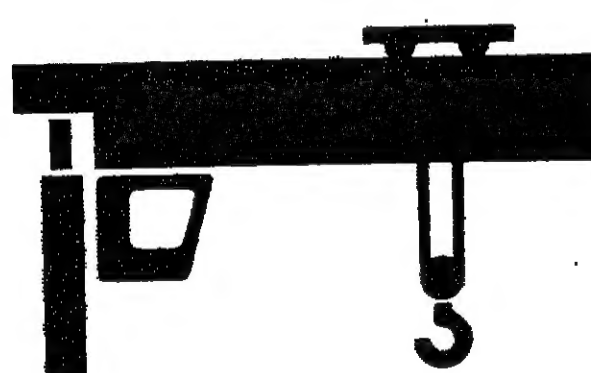
CURT SUPLEE is an editor for the *Outlook* section of *The Washington Post*.

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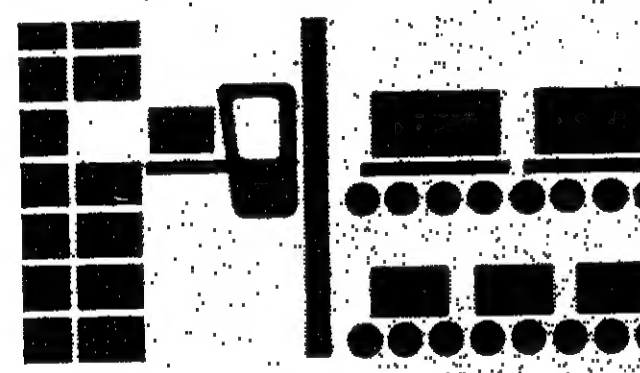
Innovative and technically leading

Machinery, Plant,
and Systems

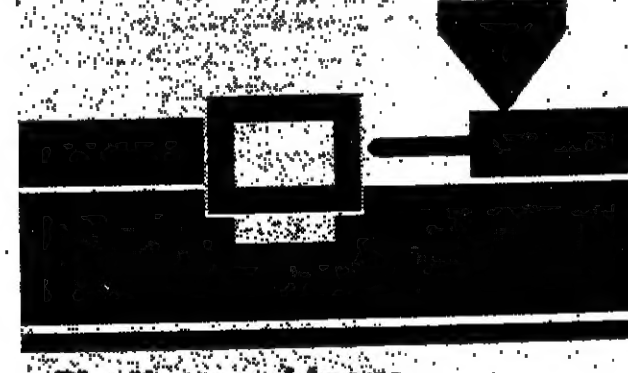
Material handling components
Electric motors, control systems, hoists and travel units, control pendants, busbar lines



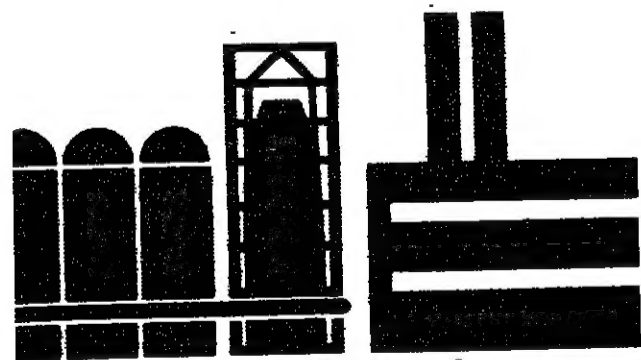
Cranes and handling equipment
Cranes, load handling attachments, storage and retrieval machines, handling systems, controls



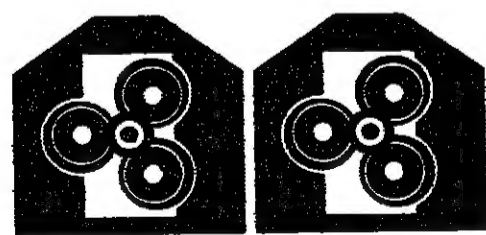
Systems engineering
Storage, order-picking and material transport systems, planning and implementation of integrated material handling installations



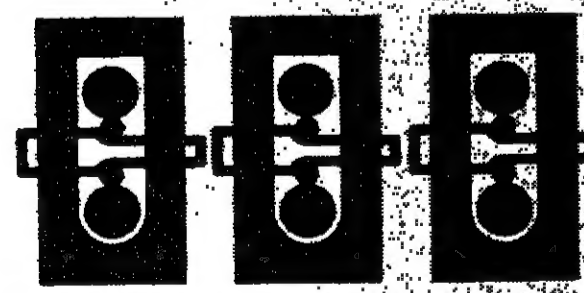
Plastics machinery
Machines and integrated injection molding systems



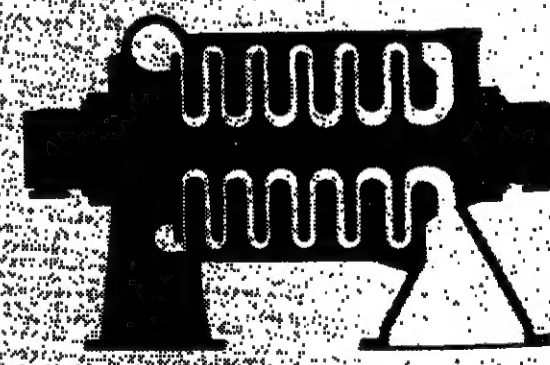
Metallurgical plant and equipment
Integrated works, blast furnaces, steel-making shops, secondary steel-making equipment, continuous steel casting machines, electrometallurgical facilities



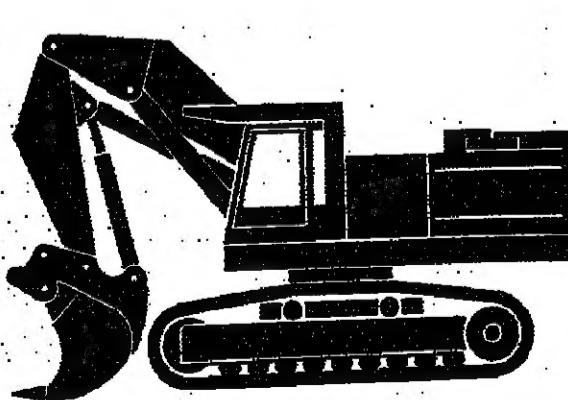
Tube and pipemaking facilities
Plant and machinery for the production of seamless and welded tubes and pipes and hydraulic presses



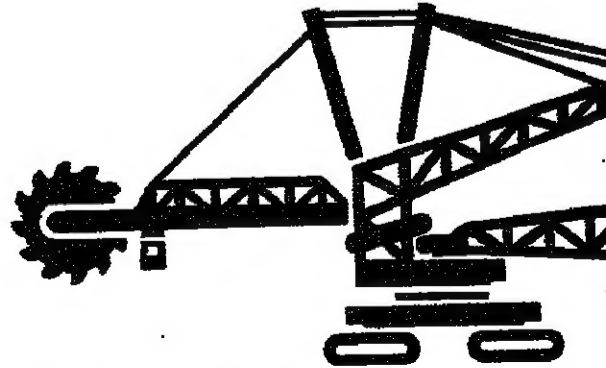
Rolling mill engineering
Rolling mills for sections, beams, rods, strip, plate and sheet, and strip processing lines



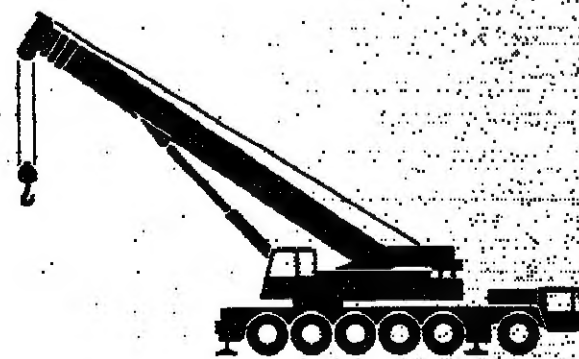
Process gas compressors
Dynamic or positive displacement machines for air or industrial gas compression, and vacuum pumps



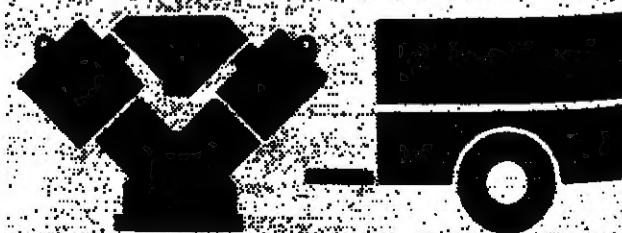
Construction equipment
Hydraulic excavators, cable-operated hydraulic excavators, pavers, side finishers



Mining engineering
Open-cast mining equipment, bulk handling equipment, large hydraulic excavators, tunnel-heading and shaft drilling machines, shaft winding systems



Mobile cranes
Lattice-boom and telescopic cranes, pneumatic tyre- or crawler-mounted harbour cranes, industrial yard cranes



Pneumatic equipment
Compressors, equipment and components for the construction and manufacturing industries

Equipment for the most exacting demands. Worldwide. A challenge and commitment we accept. Innovation is our answer. Our position: at the top end of the technology market. This makes us partners with all those who are investing today to ensure that they will still have the competitive edge tomorrow.

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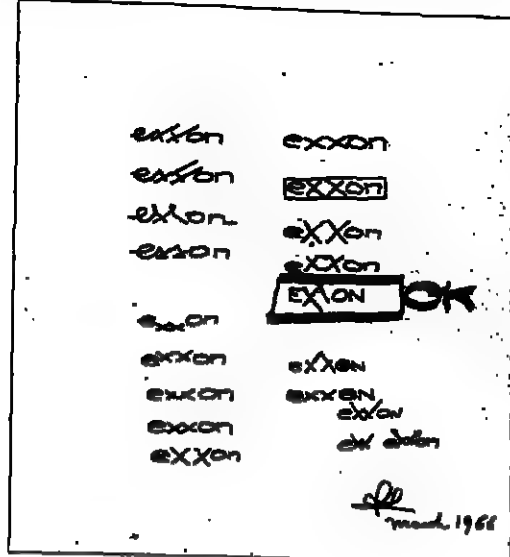
Technology Research

NOTEBOOK

The Loewy Look

Technology in the post-war era inevitably carries the stamp of Raymond Loewy, the late designer who changed the face of products from Coca-Cola dispensers and toasters to television sets and cars and set the pace for industrial design from the '50s onward. On Saturday and Sunday, more than 300 of Loewy's drawings, watercolors, projects, models and manuscripts were sold to the highest bidder at an auction in Rambouillet, France.

A signed gouache of Air Force One, designed in collaboration with President John F. Kennedy, brought \$1,000, the highest price at the auction. A sheet of eighteen felt-tipped doodles that resulted in the Exxon logo sold for 3,500 francs. (IHT)



Networking Fees

The Federal Communications Commission is proposing that companies offering online data-transmission services through local telephone loops in the United States — for example, CompuServe, The Source, Quantum-Link, Telenet and Tymnet — should pay a special "access fee" to hook up to the phone network. These access charges could run to \$5 an hour per user.

The commission makes voice-communications companies such as MCI and Sprint pay an access fee to hook up to local phone lines. Data-communications companies had thus far been exempt from such charges.

The FCC believes that everybody who uses a local exchange for interstate service should help pay for it with an access charge," said Ruth Milkman of the FCC. "Everybody who uses the network should have to pay."

The proposal, which may become law next year, exempts the largest private data networks, those run by companies such as Ford Motor and Boeing Aerospace. Though these networks are ostensibly private, they are often linked to local telephone loops through the company's switchboards. (WP)

Airless Spare

For a motorist with a flat tire, few experiences are as dismaying as the discovery of a deflated spare. Enter researchers at the Uniroyal Goodrich Tire Co. who are developing what they believe is a workable airless spare.

The new Uniroyal Goodrich spare tire is made of polyurethane, a synthetic rubber polymer used as foam in mattresses and in more rigid forms as automobile bumpers and skateboards. Unlike conventional rubber spare tires, the polyurethane tire is non-pneumatic — that is, it is not filled with compressed air.

General Motors hopes to include them as standard equipment in all new cars as soon as approval is granted by the National Highway Traffic Safety Administration, perhaps in a couple of years. (NYT)

New Ventures

In venture capital circles, recent breakthroughs in the esoteric field of superconductivity are sparking visions of new riches.

At least one new company has already been formed. Tentatively named the American Superconducting Corp., it will use seed money provided by American Research and Development of Boston and Rothchild Ventures Inc. of New York, two leading venture capital firms, to take the first steps toward developing a business based on the work of Gregory J. Yurek and John Vander Sande, two professors at the Massachusetts Institute of Technology.

They disclosed at a congressional hearing last week that they had developed a method to make the new superconductors out of metal, which would make them far easier to manufacture than the brittle, ceramic-based materials developed by other researchers. (NYT)



Biometric Technologies' neuromagnetometer uses superconducting materials.

Paris to Tokyo in three hours?
More than fantasy, the hypersonic jet is approaching reality.

Visions of Soaring at Mach 5

By Axel Krause

PARIS — The year is 2015. About 150 passengers have just been escorted past advanced Airbus, Boeing and Concorde aircraft at Charles de Gaulle Airport. Somewhat apprehensively, they file into a gleaming, snout-nosed, delta-wing plane now ready for the three-hour flight to Tokyo.

Shortly after takeoff, riveted to their seats, passengers are told that the world's first hypersonic plane is cruising — actually orbiting — at an altitude of 18.5 miles (30 kilometers) at nearly seven times the speed of sound. Later, slightly groggy, they step off the plane in Tokyo, carefully avoiding contact with the fuselage, whose temperature is still at about 300 degrees centigrade (932 degrees Fahrenheit). Some passengers say they are looking forward to the return flight to Paris later in the day.

Such a scenario, once a matter of dreams and sketches, is approaching reality. In the United States, Britain, West Germany, France and the Soviet Union, teams of engineers are working in secrecy to develop technology for hypersonic passenger planes, including advanced engines, fuel, materials and communications. Senior executives of leading plane manufacturers and Western governments are, meanwhile, debating trans-Atlantic cooperation as a way of financing. The key question: Could they ever be profitable?

Hypersonic aircraft was the center of guarded talk at last week's Paris air show, where brief, broad descriptions of projects were readily available at the stands of the main players. These include: Aerospatiale of France, British Aerospace PLC, Messerschmitt-Bölkow-Blohm, or MBB, of West Germany, Boeing, McDonnell Douglas, Lockheed and Rockwell International of the United States.

Even at today's prices, the costs sound exorbitant. For example, airline analysts estimate a round-trip ticket would have to be set at a rate more than double the price of a seat on the Paris-New York Air France Concorde, currently 27,180 francs (\$4,510).

Development costs of a hypersonic plane would easily reach about \$20 billion, according to U.S. companies. But hints of answers are beginning to surface on this score as well. Lou Harrington, a senior vice president at McDonnell Douglas, says he hopes his company could cooperate with Boeing, Airbus Industrie of Western Europe and smaller manufacturers like Fokker NV of the Netherlands to develop the aircraft.

Future trans-Atlantic cooperation was strongly endorsed by ministers from Britain, France, West Germany and Spain at the air show. The U.S. government has not yet taken a position on such cooperation.

"There is a market, limited perhaps, but it's there," commented Alan R. Hughes, a marketing vice president for British Aerospace. "Regardless how I fly to Sydney from New York or Washington today, the trip is 24 hours. If a hypersonic gets me there in two hours for an urgent business appointment, that would make sense, because time matters."

But so does technology — both civilian and military — which most industrial and government planners view as the immediate and most difficult hurdle when assessing its components. These include the following:

• **Engines.** Currently, the world's fastest aircraft, the Concorde, the West European Tornado fighter and Lockheed's Blackbird reconnaissance plane, cannot exceed Mach 3, or three times the speed of sound. Engine makers are pursuing solutions that would permit speeds of up to Mach 25. Most generally agree with the approach of General Electric of the United States, which would combine turbofan and so-called ramjet technology. GE is also working closely with France's

state-owned Snecma exploring other possibilities, such as combining the use of hybrid turbo-ramjets, ramjet-rockets and turbo-ramjet rockets.

Ramjet engines, which were first tested for the German Luftwaffe near the end of World War II, contain no moving parts and would be used once the aircraft attains Mach 3, based on the following principle: Air for oxidizing the fuel is continuously compressed by being rammed into the inlet by the high speed of the aircraft. High-bypass turbofan engines, resembling current models, would be used to generate power that did not conflict with noise and pollution requirements up to about Mach 2.

While cruising, a transition period would last up to Mach 3, according to scenarios of Aerospatiale and MBB. Then, the turbofans would be shut down, as the ramjets powered the plane to higher speeds, possibly with the help of rockets.

The West German Ministry of Research and Technology and the European Space Agency recently commissioned MBB to pursue propulsion technology based on the so-called Sanger project, a proposed two-stage space aircraft. This was the work of a German designer, Eugen Sänger, who developed the idea for a rocket-propelled aerospace plane in the early 1940s. According to MBB, its version could carry about 250 passengers at speeds of about Mach 5 with a range of about 13,000 kilometers.

Meanwhile, British Aerospace has begun testing a model of an engine designed for its proposed Hotol spaceplane, a reusable shuttle transport that would attain speeds of up to Mach 5. First versions of the Hotol would be used as early as the late 1990s for space missions, but later, they might be developed for commercial transport. A goal in the recent testing was evaluating re-entry heating and pressures, according to company sources at the air show.

• **Materials.** To withstand the projected speeds and surface temperatures, expected to range between 80 degrees centigrade (176 degrees Fahrenheit) and 600 degrees centigrade (1,120 degrees Fahrenheit) initially, new metals and plastics will be needed.

But companies and government research agencies involved in developing materials have been extremely guarded in providing detailed information.

New forms of titanium, stainless steel, polymers and metals reinforced with ceramics, boron or carbon threads may also be incorporated in the new aircraft. Novel alloys and other ceramic materials are being studied for the engines, turbines and combustion chambers, where temperatures will easily reach 1,400 degrees centigrade (2,544 degrees Fahrenheit).

• **Communications.** This is probably the most guarded area of technology being studied, and apparently, the least advanced. Most development work in this area has been done in the United States, primarily on the shuttle program. Britain and France are studying avionics technology in connection with their respective Hotol and Hermes shuttle projects.

Probably nowhere is the work on a hypersonic plane more advanced than in the United States. Known as the National Aerospace Plane and financed jointly by the National Aeronautics and Space Administration and the Defense Department, the plane's engines are already being developed by GE and Pratt & Whitney, with projected speeds of up to Mach 25.

Boeing, General Dynamics, Lockheed, McDonnell Douglas and Rockwell have started airframe studies, and contracts for the first flight demonstration aircraft may be ready to sign at the next Paris air show in 1989.

AXEL KRAUSE is the economics correspondent of the International Herald Tribune.

Preparing For Mars

Continued from page 9

has done studies lasting three or four months. U.S. studies in the past have reflected the fact that shuttle flights are limited to seven to 10 days. But with the advent of the proposed space station, where crews will stay aloft longer, and also with increasing interest in manned planetary exploration, he said, "that approach is now changing" in favor of longer term studies similar to those of the Soviets.

The more costly alternative research method is, of course, to put people into space. Here, too, the Soviets have pioneered. Since 1961, they have progressed from two hours in space to an eight-month sojourn.

The two-man crew aboard the Soviet space station Mir is now in the midst of a 10-month tour of duty which is expected to become routine for Mir crews. Also, two cosmonauts are the only humans who have repeated long-duration flights: they made two such flights each and one, Yuri Romanenko, is now aboard Mir for a third.

"The organism 'remembers' weightlessness and during repeat missions adaptation proceeds less painfully," said Tamara Breus, of the Institute of Space Research of the Soviet Academy of Sciences in Moscow. Mr. Romanenko has reported having a much easier time adapting to weightlessness than his less experienced crewmate, she said.

The longest any American astronaut has spent in space is just under three months (84 days), on the last Skylab mission in 1973-1974. No women have flown for more than 10 days.

"The data the Soviets are accumulating is very, very valuable data. Nobody else is doing it," said Dr. Arnold E. Nicogossian, director of life sciences for NASA, in Washington.

There is a limited flow of information from the Soviet program, American researchers say. "We talk with them, scientist to scientist. We understand what problems they're studying. We get certain publications," said Dr. Nicogossian. "But to have a working relationship where you can comb through their data, ask the questions, it doesn't happen."

The purpose of the research is to develop countermeasures, such as diets, exercise, fluid-loading, gravity suits and the like, that make it possible for space flyers to stay healthy and keep functioning, both while they are in space and when they return to gravity.

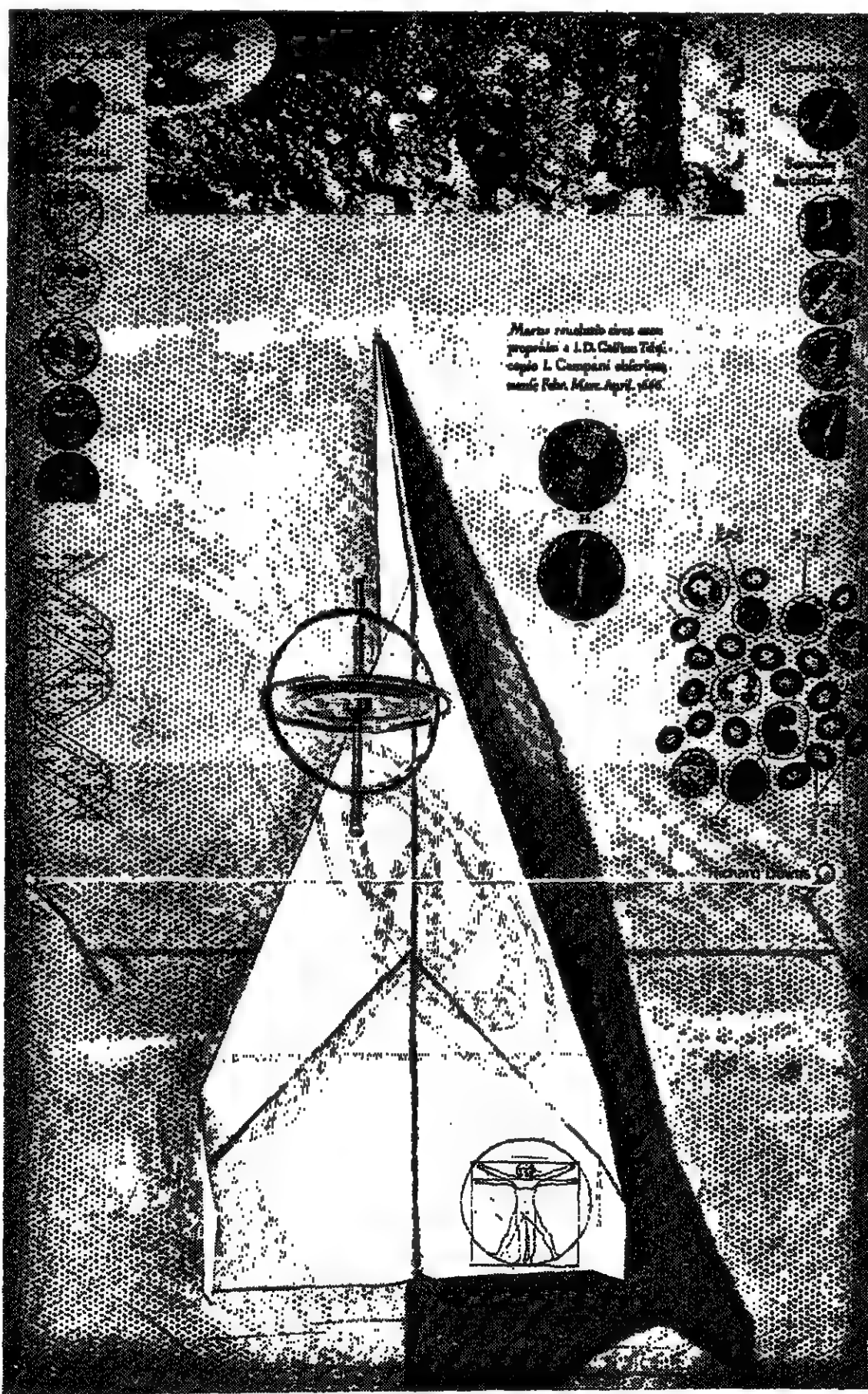
To counteract the muscle deterioration, for example, the Soviets require that their Mir cosmonauts exercise on a treadmill for at least two hours a day, an undertaking that reportedly generates a shroud of sweat.

"It's very uncomfortable," said John Charles, of Johnson Space Center's Space Biomedical Research Institute in Houston. The flyer has to harness himself to the machine to keep from floating off, he said, and the harness creates painful pressure points.

Skeptics within the research community maintain that cosmonauts comply with the exercise mandate "reluctantly as long as they are within 'caterpillar range' of ground controllers, and then skip the rest," Mr. Charles said. "At least, so the story goes."

NASA, with its short-term manned flights, has no such requirements. Shuttle astronauts "usually exercise for about 10 minutes at a time, once or twice during a flight" to test muscles before landing or as recreation, he said.

As for the loss of bone minerals, that presents a serious short-term problem in addition to its effects on bones themselves. "That calcium ends up in your blood and increases the potential for kidney stones, and this could happen



even within hours," said Mr. Charles. No astronaut has yet suffered a kidney stone problem during a mission.

In 1988, the Soviets plan to take a French-built bone scanner machine into orbit to study in-flight changes, according to Dr. Nicogossian. The Soviets currently believe the effect on bones levels off sooner than previously thought, at about three months, he said.

The loss of fluids is caused when, without the drag of gravity to pull them down, the body's blood and other fluids drift into the upper regions where they impinge on key sensors. Informed by these sensors, the brain assumes that the unusually high amount of fluids accumulating in the chest exists throughout the body, so it starts getting rid of them through sweating, urination and other means.

The Soviets and the Americans have both tried applying "negative pressure" that sucks blood back to the legs, Dr.

Nicogossian said, and the Soviets have tried replenishing fluids. They have also tried compression suits that are spring loaded shoulder to waist, waist to legs and with stirrups on the feet, to substitute for gravity, he added.

The most famous space affliction is motion sickness.

Something called "sensory conflict" is believed to be the culprit, NASA researchers say. That is, in weightlessness, the internal body programming that controls posture, movement and the like is no longer calibrated to read the signals that are coming in from sensors such as those in the inner ear.

American astronauts have not experienced serious health problems after their relatively short-term flights, but researchers express concern that irreversible changes may occur in the body with prolonged or repeated flights.

Soviet cosmonauts, after long stays

in orbit, are hoisted out of their capsules, slid down a chute and carried in sedan-chairs for days or even weeks before they begin to function normally, according to U.S. specialists.

The long-term effectiveness of certain countermeasures is not clear, in part because the Soviets use several at once rather than separating out the individual effects of any one measure; for ethical reasons they have not provided a control group, where no countermeasures are taken for fear of endangering any cosmonauts, experts say.

One possible alternative to the use of these measures is to create artificial gravity for long space flights, probably by spinning the vehicle. But research in this area is in its infancy. It is "a big question mark," Dr. Nicogossian said.

KATHY SAWYER is the space writer for The Washington Post.

Psychology Is Key on Long Flights

By Brigit Phillips

PARIS — To most mortals, the limits of space are as short as the imagination. To Patrick Baudry, a French astronaut, the concept of conquering space is as long as several millennia and defined only by the limits of the human mind.

Mr. Baudry speaks with the wisdom and enthusiasm of one of few humans to experience life in space. He has the objectivity of one who has worked with U.S. and Soviet space officials to expand the horizons of space.

For Mr. Baudry, the physical and technical obstacles associated with space travel are surmountable. Excellent physical condition is assumed. The astronaut learns the technicalities of how to conduct scientific experiments in space or the operations of the spacecraft by himself or with a scientist. But psychological constraints make for problems now and will only be multiplied for long manned space flights. Already, in both the Soviet and American programs, he said, training is a much lower priority for astronauts than mental preparation.

"The critical part comes when you start working together in the simulator," he said. In Moscow, that phase starts a year before liftoff. In the United States, the National Aeronautics and Space Administration requires three to six months in the simulator.

"You have to learn to know experiments or how to motivate others," Mr. Baudry continued. "Up there in that tiny area of the capsule, it is crucial to understand perfectly the personalities of the other team members."

When it comes to considering astronaut psychology, Mr. Baudry rated the Soviets far ahead. From 1980, he spent two years at the City of the Stars base near Moscow, training for a June 1982 space flight, for which he eventually was named an alternate.

Each member of the team went through the same program of in-depth training that covered every task on board, from conducting experiments to operating the Soyuz-7 craft.

"I got training as a full-fledged member of the crew. Each crew member was interchangeable with the others. My training was extremely thorough and serious, and exactly the same as the Soviet cosmonauts got," Mr. Baudry said.

In 1985, he went through the equivalent American preparation and made a weeklong flight on the space shuttle Discovery, though there, he was treated as a lesser team member.

"Psychologically, it is more difficult in the American program," Mr. Baudry said. But he pointed out that NASA also has a much more rigorous and regular program of space flights. "The Americans have a real need for terribly tight organization that demands specialization. It is perfectly logical that they would categorize people. But that shouldn't be allowed to affect the psychology of the astronaut involved."

UNLIKE the Soviet program, U.S. space development is tied to commercial interests. "There is a pioneering spirit. The Americans know how to invest and how to take risks," he said. "The Soviets have little of that spirit of breaking away and battling for the lead."

But, Mr. Baudry found, the Soviets take a much more philosophical, visionary approach to space. "They have a view of their space program that is very long-term and consistent. The American program revolves around developments in the next few years with little of that futurist vision."

Mr. Baudry, 41, has put aside his career as a French Air Force test pilot. His "greatest letdown" was having to land on Earth after eight days in space aboard the Discovery, but he has no immediate plans for more space travel while he works on the development of Europe's space shuttle, Hermes. Yet his perspective, like that of the Soviets, is long-term.

"What will be achieved by 1989 does not interest me. Even 25 years is not as much as half a second in the scheme of things. What is important is to look across millennia," he said. "What will become of man on the planet Earth in the year 3000, 4000, 5000? Will this being that has created the power to destroy his planet have the wisdom to survive? And will we succeed in going beyond our solar system? These are the real questions of our adventure. My interest is in being a small part of the motor that drives the machine in the direction of a natural, logical and positive evolution."

BRIGID PHILLIPS is a journalist based in Paris.

Technology Developments

Sale Furor
Spotlights
Submarines

By Malcolm W. Browne

NEW YORK — As the Soviet Union and the United States race to build the quietest submarines possible, the recent disclosure that a Japanese company sold robot propeller-manufacturing machinery to Moscow has underscored the growing importance of computer control to the weapons industry.

In a thermonuclear war, detection of the telltale noise produced by the propeller of a single lurking missile submarine could prevent the destruction of scores of cities. The sale by the Toshiba Machine Company to Moscow of computer-controlled machinery capable of making especially quiet propellers has, therefore, caused consternation among American military officials and has helped to sour Japanese-American relations.

Details of the technology required for making quiet submarine propellers are among the most highly classified of Defense Department secrets, and a Navy spokesman said Defense Department officials were barred from discussing the subject.

However, an enormous amount of information about screw propellers is in the public domain. In interviews, several marine propeller experts and former submarine officers discussed unclassified aspects of the quiet propeller problem on condition that their identities be withheld.

"It's a safe bet that the Russians have had a good grasp of the principles behind quiet propellers all along," a former commander of a ballistic-missile submarine said, "and they also probably had ways of getting the machinery they needed without help from Toshiba. Where they've lagged has been in the computer programming and software needed to drive these numerically controlled machines."

Most of the surface ships in the United States Navy are driven by complex, controllable-pitch propellers manufactured by the Bird-Johnson Co. using such equipment.

A numerically controlled milling machine is one in which a digital computer, programmed to direct a complex series of mechanical steps, sends numerical coordinates directing the machine's milling head along the paths it must take to remove the required amount of metal from the object it is shaping.

One of the main sources of submarine noise, experts say, is propeller cavitation. A spinning propeller blade cuts through water in much the way an airplane wing does through air. The front surface of the propeller blade, comparable to the upper surface of a wing, creates suction as it speeds through the water, and the suction pulls the propeller (and ship) forward. But above a certain speed, the blade moves too fast for the water touching its front face to catch up, and this creates a vacuum cavity, which may extend in a sheet along most of the blade's surface.

As the cavity sheet separates from the blade, it breaks up into microscopic bubbles that are ordinarily swept away with the flow of water. When the bubbles reach a distance from the blade, where the surrounding water pressure increases to its normal level, the bubbles abruptly collapse. Each collapse makes a small but sharp noise, and the collective effect of these cavitation collapses is a continuous roar audible to enemy sonar detectors.

The roar itself is not the only source of propeller noise. Each of the objects that stick out from a submarine's hull — the sail (superstructure), stabilizing fins, rudder and so forth — creates a turbulent wake distinct from the rest of the water streaming past the vessel. When a propeller blade cuts through one of these

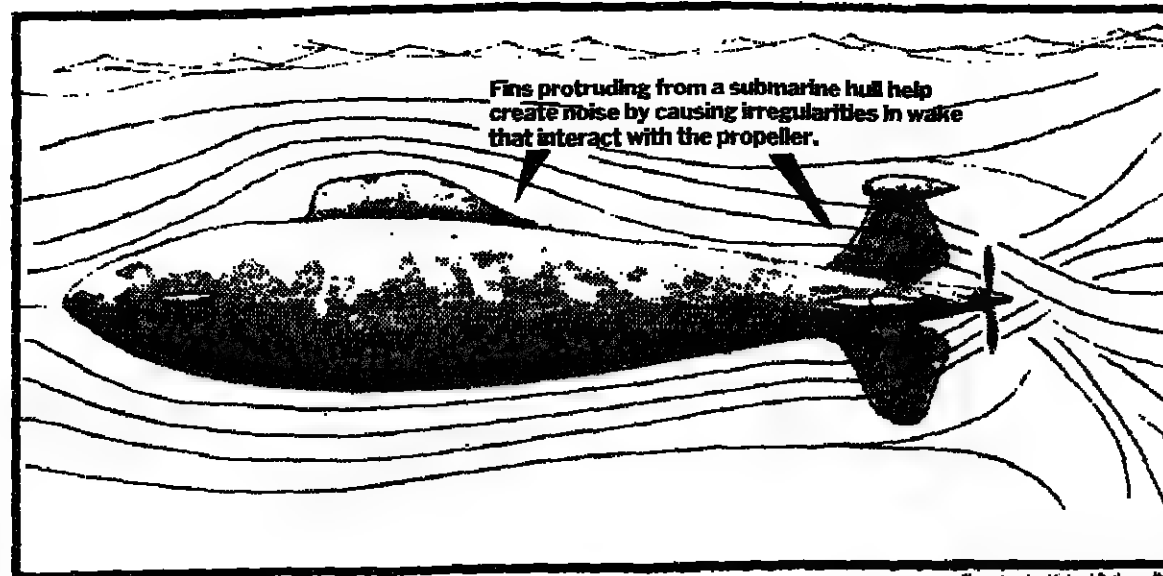


Illustration by Michael Rothman/NTI

turbulent discontinuities in the flow of water, a pulse of sound results: the principle is similar to a jet of air blown through the spinning holes of the disk in a siren. The more blades the propeller has and the faster it is spinning, the higher will be the pitch of the resulting noise.

All propellers cavitate above a maximum speed. Even below this speed, the blade tips, which are moving through water faster than blade roots, may cavitate. A submarine headed across a wide stretch of ocean to its station ordinarily moves at high speed ("transit speed") until it nears its destination, and during this period its propeller cavitation is particularly noisy. Once on station, the submarine slows to a crawl ("patrol speed") to remain as quiet as possible. But even when a submarine is forced to travel comparatively rapidly, the captain tries to keep cavitation and other noises to a minimum.

"Obviously, the prudent submarine commander who must increase speed will take what steps he can to prevent cavitation noise," a former submarine officer said. "One way is to dive as deep as he can."

The onset of cavitation is determined partly by the pressure of water enveloping the spinning blade. The higher the pressure, the faster the blade can spin without tearing loose from the water in contact with it. Since water pressure increases rapidly with depth, a submarine can travel faster while remaining quiet if it dives deeply.

The design of the propeller also critically affects the spinning speed at which cavitation sets in. A large-diameter propeller that spins slowly is less prone to cavitation than a small one that spins rapidly, and modern submarine propellers are, therefore, relatively large; some Soviet propellers are so large their blades extend above the water when a submarine runs on the surface.

A nuclear submarine propeller, cast from bronze in one piece, generally has five or seven blades, and the number of blades affects its sound. The more blades that pass through a given wake discontinuity in a given time interval, the higher will be the pitch (frequency) of the sound. In general, high-frequency sound does not reach as far under water as does low-frequency sound, so a larger number of propeller blades may help defeat an enemy's acoustic detectors.

A particularly important factor in propeller noise is the shape of the leading edge of a propeller blade. In conventional propellers, the blades are more or less symmetrical, and the leading edge slices all at once into any wake discontinuity it encounters, creating a sharp pulse of sound. But in advanced military propellers, the leading edges of blades are swept back — skewed — in somewhat the way the wings of jet airplanes are swept. Skewed propeller blades slice across wake discontinuities at sharp angles, and the sound they make is therefore smoother and quieter.

Submarine propellers are also "raked," meaning that their blades are angled back from the shaft rather than perpendicular

to it. The blades are thus prevented from encountering some of the wake discontinuities that create sound.

Among the most important ways of increasing the speed at which a propeller may turn without producing cavitation noise is to eliminate irregularities in the smoothness of its curves, and it is for this that advanced robot milling machines like those made by Toshiba are particularly important, experts say. The slightest ridge, dimple or "pillow" on the face of a propeller blade, invisible to the naked eye, may be enough to trigger the separation of the blade surface from the water in which it is spinning and thereby start cavitation.

A bronze submarine propeller, perhaps measuring some 20 feet in diameter and weighing around 10 tons, is first cast from molten metal, cooled, and inspected for faults. It must then be machined to the exact dimensions specified by computer-assisted engineers who designed it. Finally, it must be perfectly balanced (by removing metal from one or more blades) and tested on a spinning shaft for vibration and other characteristics. These operations are so difficult and time-consuming that the cost of a propeller for a large, modern warship, industry officials say, is about \$1 million.

PROPELLERS are traditionally finished by hand. Using template gauges to check their progress, workers grind metal away from each blade a little at a time until the appropriate template fits perfectly. Ten templates, fitted at equal intervals along the length of each blade, must all fit properly.

"But if you've ever worked in a machine shop, you can guess the effect of this," an engineer said. "A worker will grind down the blade at a template point to a perfect fit, but in the blade areas between templates he'll tend not to grind too hard, for fear of taking out too much metal. Invariably, this means too much metal is left between measurement points, with a certain amount of bulging or 'pillowing.' A propeller like that will pass all inspections, but it will cavitate at too low a speed."

Other experts said that in any case, Soviet submarines would have become quieter. Submarine noise comes from several sources besides propellers, one source being the vibration of gears, shafts, bearings, pumps and other machinery inside the ship's hull. This kind of noise is customarily reduced by mounting machinery on rubber blocks or otherwise isolating it from the hull. Builders also line hulls with foamed-plastic sound insulation.

"This Toshiba flap is unsettling," a former naval officer said, "but I suspect it's just the latest skirmish in our cat-and-mouse game."

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Degradable Plastic
Timed to Self-Destruct

By Thomas Netter

GENEVA — Anyone who remembers seeing "The Graduate" may also remember laughing when the word "plastics" summed up a generation's avarice and contempt for the environment while in pursuit of "durable" security.

But these days, the durability of plastics is no longer a laughing matter. Mountains of synthesized polymer trash are growing. Plastic cups, bottles and picnic cutlery litter beaches and roadsides the world over, resisting degradation by water, rain, air or ultraviolet sunrays and micro-organisms. And burning is no solution: many plastics produce putrid, noxious gases when put to the flame.

Slowly, governments and the public are beginning to say, "enough."

This month, Florence banned the sale of plastic food bags and containers. Italy has decreed that all plastics used for non-durable goods must be made degradable by 1989. And as other areas of Europe, as well as the United States begin to react to the mounting scourge of indestructible plastic litter, the plastics manufacturing industry is stepping up its search for a solution.

"Until now, they usually wanted to stress how long plastics last," says Robert Kainz, an independent public relations consultant in Geneva who specializes in the chemical and plastics industries, "but that may be changing slowly."

Although photo- or bio-degradable plastics have been available for years, mass marketing has been slow and hampered by drawbacks. About 25 percent of the six-top plastic beer cans yokes now sold in the United States are photo-degradable, industry sources say. And each month, a Toronto firm called Ecoplastics, sells about 20 tons of a product called Ecolyte that breaks down in ultra-violet light so micro-organisms can do their work.

But many of these products have disadvantages. Ecolyte, for example, must be kept indoors to maintain shelf life, while other products such as Plastor developed by a company in Israel are unsuitable for food packages because additives used in manufacturing could spoil food. Companies in Britain and North America are producing degradable plastics that can be destroyed by bacteria or micro-organisms. But in many cases, cost is a negating factor.

One of the more promising developments is about to get full public display in Switzerland. A company formed in 1983, Belland AG, is to formally unveil its new degradable product next month.

Rolf A. Bels, the president and majority owner of Belland has invented a plastic product that can be dissolved when sprayed with water mixed with a chemical reagent tailored to specific applications and the uses expected from the material, according to Roman E. Kainz, vice president for corporate develop-

ment in the company's headquarters at Solothurn, Switzerland.

Mr. Kainz says the new product can be used for almost every plastic application — injection molding, profiles, foam, liquid plastic or rigid plastic — "everything you can imagine in thermoplast applications can be made out of Belland plastic."

Mr. Kainz said in an interview that Belland can develop a polymer for an individual client's needs. The plastic is then manufactured through a standard process that is licensed out, to manufacturers. Belland does not produce the product itself, Mr. Kainz said. The company has only 60 employees, two-thirds working at Belland's research and development facility in the tiny village of Biberist near Solothurn.

**Chemical agents
can break down
the material in
seconds, hours,
days or months.**

The beauty of Belland plastic, Mr. Kainz says, is that it can be made stable against water, can have a long shelf life, or be used as agricultural film that is exposed to sun, light, water and micro-organisms.

"After the resistant period, you can define the time when it degrades," Mr. Kainz says. "And even this can be installed into the plastic, from seconds, to minutes, hours, days, or months."

The plastic can be programmed, either chemically by adding time reactive agents, or by producing it in such a way that exposure to water or a chemical agent, for example, would begin to break it down.

After the plastic is dissolved, it is broken down in an "environmentally safe" process of biological degradation. A one-year study indicates a 50-percent biological breakdown, and Belland assumes that within two years all residues will disappear. "What we know in using new materials already tested is that there are no bad effects on the environment, humans, soils or the air," Mr. Kainz says.

THOMAS NETTER is a journalist based in Geneva.

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MINOLTA

W. Germans Test Digital System

The underlying question: Will people really use the technology?

By Douglas Sutton

HANOVER — The future of telecommunications in West Germany for the moment belongs to around 800 individuals in Mannheim and Stuttgart, in a pilot test that industry executives are confident is the start of a thorough reworking of the telecommunications landscape which will go far beyond West Germany's borders.

The testing, begun in January under the auspices of the West German Federal Post Office, covers two systems for the Integrated Services Digital Network, or ISDN, which combines the complex — multiple telecom services running simultaneously — with the simple: all via conventional telephone lines.

For the moment, two companies in particular are awaiting the Bundespost's extremely critical evaluation. They are Siemens with its Electronic Digital Switching System or EWSD used in Mannheim, and Standard Elektrik Lorenz (SEL), whose Systems-12 was put through its paces in Stuttgart.

But other West German firms, such as Telecommunications, ANT, DeTeWe, and Nidort, as well as foreign companies will be watching the Bundespost's appraisal. It is not just a question of the billions of dollars' worth of research and development costs already invested, but also on the line are the strategies that telecom firms have begun to draft for ISDN's future.

"The chief question in the pilot testing concerns is not just the technical side of ISDN. Everybody agrees digital communications is the technology of the future," said Rainer Mueller, a Siemens engineer and marketing manager. "What is also at stake is the question of user acceptance. Will the businessman and private household really use the multiple services offered under ISDN? This is, after all, the real test."

Industry officials agree that the question is one of educating the public, particularly the private household, who might not immediately know what to do with ISDN.

At the office equipment, communications and information technology fair CeBIT in Hanover last March, companies tried to educate potential customers on the uses of 144 kbit/s. This is the sum of two 64-kbit/s channels for the simultaneous transmissions of voice, text, data, and still images, combined with a third 16-kbit/s channel for coordinating and controlling these services.

In its display, Siemens linked a travel bureau, an architect's office, a bank and a private household, all variously equipped with telephone, telefax and telecopier equipment, computer terminals and normal TV sets. It showed them, hypothetically, going about daily business using the gadgetry simultaneously.

In the real-life testing in Mannheim and Stuttgart, the exacting standards of the Bundespost, meanwhile, were the most immediate hurdles. Mr. Mueller said that during the year-long period in which the Siemens and SEL systems were being tested, the post office had



A technician at Standard Elektrik Lorenz laboratories inspects a component of System 12, the digital switching hardware being tested in Stuttgart.

set a limit permitting only a couple of minutes of any kind of disruption in the ISDN services. West Germany is not alone, of course, in starting to test the ISDN waters. The list of countries launching or planning pilot projects in various forms of digital telecom technology in the near future includes Belgium, France, Ireland, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, Britain, and the United States.

The West German project is the newest phase in the Bundespost's preparation to introduce glass fiber-based broadband transmission systems starting in the early 1990s.

Beyond this, the West Germans hope to prove that though the applications may be complex, ISDN-compatible systems, at least in terms of the 64-kbit/s channels, would be relatively easy to install as they replace the older analogue switching network.

Theodor Irmer, an engineer at the Geneva-based International Telegraph and Telephone Consultative Committee (CCITT), points out that, given the worldwide acceptance of clearly defined technical standards, ISDN networks could find widespread ready acceptance.

"As paradoxical as it sounds, developing countries which are now just starting to develop their networks could have an extraordinary interest in digital technology," Mr. Irmer told the West German engineering association VDI publication Magazine.

He said that developing countries could sooner apply digital technology over a broader region than could the large industrial nations that were still operating analogue technology.

Siemens believes its EWSD system, which according to Mr. Mueller required about 2 billion Deutsche marks (\$1.1 billion) in research and development costs, has an advantage under the international standards for digital switching networks laid down by the CCITT.

Most recently Siemens concluded a sale of four EWSD units with a total of 43,000 con-

nections to Portugal. So far Siemens has sold its EWSD system to 52 telephone companies in 26 countries, for a total of 6.7 million telephone hookups.

In view of the tremendous up-front development costs companies need such sales to get their money back.

A Siemens executive estimated that the company needed a sales turnover of at least 10 billion Deutsche marks to recoup EWSD research and development costs. A board member, Hans Baur, said that Siemens needs a 15 percent share of the world market to preserve its ability to compete.

With such companies as AT&T, Northern Telecom, Japan's NEC, and Ericsson also developing and selling digital switching technology, many firms have begun to ponder whether they might have to join forces to survive. This was one of the chief topics discussed by industry executives at the world telecom symposium during the CeBIT exhibition.

At that forum hosted by the weekly Wirtschaftswoche magazine, Mr. Baur said that there was a distortion of the market stemming from large mergers.

He also said that, while German cartel law restricted firms from gaining too much of a share of the domestic market — Siemens is under fire for its 45-percent share in West Germany — the competition was under no such restriction. He cited as one example Alcatel's 85 percent share of the French telecommunications market.

Still, Mr. Baur was confident about the future prospects opened by the ISDN development. He said the Europeans were now in a position to gain territory worldwide in the telecommunications field, but warned that there would first have to be agreement on unified standards.

DOUGLAS SUTTON is an editor at the German Press Agency (DPA) in Hamburg.

Technology Workplace

'Networking' From Home

By Sherry Buchanan

LONDON — Technology has freed us from having to work in an office. Yet, most of us still do. Most companies do not want to lose control over their staff or take the trouble to reorganize. And many business transactions require team work.

But experts agree that personal computers and computer links mean that more people in certain types of jobs will be able to work from home and will do so productively. Whether they will want to is another question. Not everybody is cut out to work in quasi-isolation, and people worry about the career implications of being home-bound. Out of sight, out of mind?

According to a survey of experts by the British Department of Trade and Industry, one quarter of the respondents said that by 1993, 10 percent to 15 percent of the British labor force would work from home and that 20 percent would work from home by 2010.

"Office Workstations in the Home" (National Academy Press, USA) looks at six case studies where staff worked from home and argues that there were 20 percent to 50 percent productivity gains.

Some companies such as Blue Cross-Blue Shield, British Telecom, ICL, the British computer group, Rank-Xerox, the European headquarters of the U.S. office equipment company, and F. International Ltd., the British software consultants, are already encouraging some people to work from home and setting them up with the necessary computer links to communicate with each other and their boss. But, because of the perceived negative career implications, few men still take up the offer. Out of ICL's 280 off-site workers, 93 percent are women. Out of F. International's 1,000 home workers, 97 percent are women. Both companies started letting people work from home before the age of the personal computer to enable women to combine career and family.

ICL tries to recruit more men by offering good promotion possibilities. In ICL's book, being an off-site worker does not mean that you cannot become a manager if you want to. For example, Diana Hill, who started out as a programmer with ICL, now manages 170 off-site workers. Like them, she works from home and they have regular meetings at ICL offices.

Three years ago, Rank-Xerox decided to let a few of their staff members work from home. Senior management devised the project at a time when the company was trying to cut costs. By letting 54 people become "networkers," Rank-Xerox sought to retain people with certain skills but

managed to cut costs by offering them contracts that guaranteed them 100 days worth of work with the company. For the rest of the time, they were on their own. Part of the Rank-Xerox deal was to lend networkers the computer equipment and software they needed for their specific job.

One networker, David Butler, who was a systems director with the company, started his own company, Artificial Intelligence Ltd., which now has an annual turnover of £2 million (\$3.26 million).

Another worker puts out the in-house magazine from home.

"I wanted to do my own thing. I had done my corporate bit," said Rosemary Vaux, who started working three and a half years ago from her spare bedroom in a cottage in Buckinghamshire. Her company, Ravenstone Public Relations, now handles other corporate accounts, and her husband, who worked as a television broadcasting engineer, has joined the company full time and looks after the production side.

"The technology is the crux: that is what makes it all happen," she said.

Some home-bound workers find it difficult to deal with isolation and loneliness. Others cannot separate home from work and find themselves doing house chores when they should be working. Managers recruiting people to work at home try to be selective.

"Not everybody can work at home, so we spend a lot of time on interviewing," said Diana Hill, general manager of CPS Professional Services, a division of ICL, which produces software packages. "We are looking for self-motivated individuals. We try to find in their background projects they have accomplished on their own."

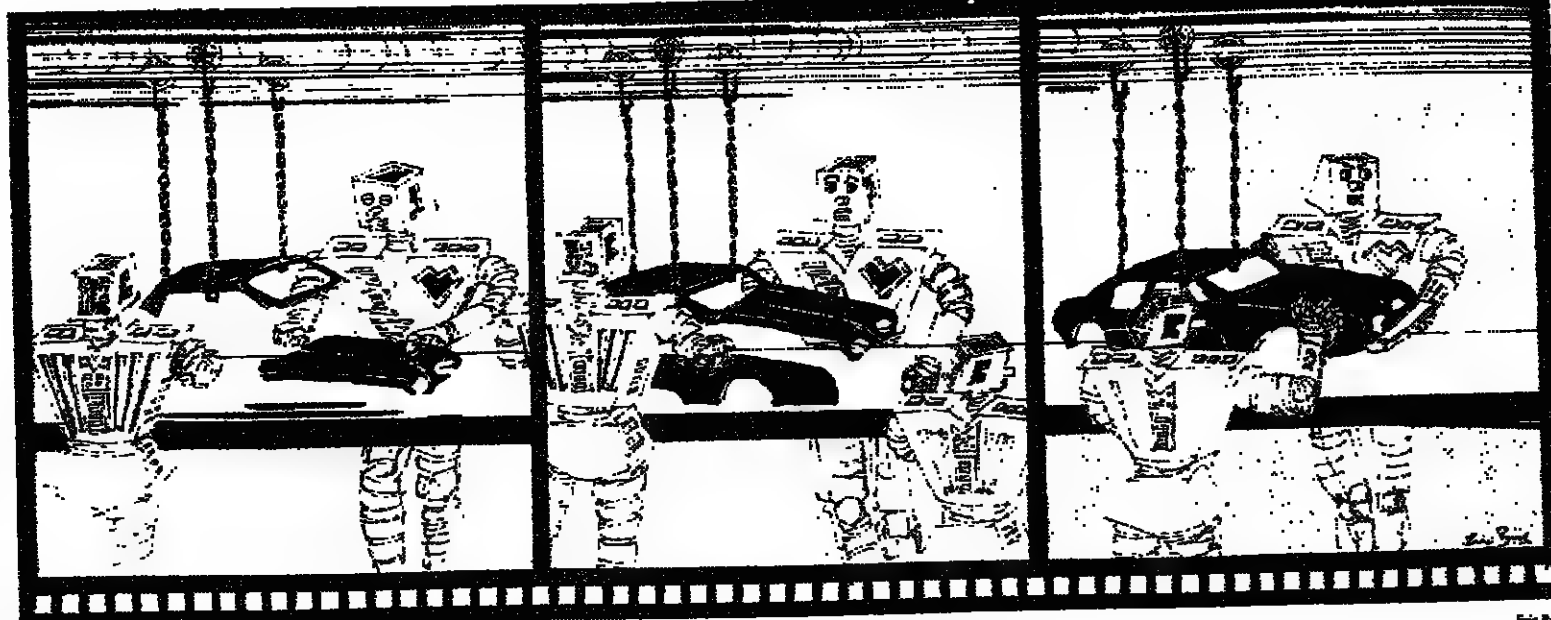
Some women quit because they could not cope with both children and job at home. One CPS bit of advice is to hire help for the children.

For the individually minded, working from home can help relations with the boss.

For the boss, on the other hand, it means devising more formal controls and maintaining constant communication.

"We have to get to know our staff very well," said Mrs. Hill. "Without being intrusive, we have to be aware of some of their personal circumstances because they are much more likely to be affected by them."

SHERRY BUCHANAN writes the International Manager column for the International Herald Tribune.



Humanizing Factory of the Future

By Juris Kaza

TROLLHATTAN, Sweden — For Sweden's highly innovative automobile industry, the manufacturing system of the future will be built on a lesson drawn from the past: The human factor is the key to performance.

Anders Svensson, a behavioral scientist working at Saab-Scania's main passenger car assembly plant, said that the most important element in auto production, whether highly automated or not, is a stable base of experienced and motivated employees.

When production technology begins to dehumanize or frighten people, it defeats its own purpose.

"You have a lot of high-tech car plants in the world that are not successful," he said. "In the next car plant generation, we will probably take a small step backwards in terms of technology."

Saab's facility at Trollhattan, near Sweden's west coast, is a giant complex producing over 60,000 Saabs a year, or nearly half the company's annual production. It boasts production equipment from Japan, France, West Germany and Sweden, including Asea robots that poke inside car bodies, spot-welding them in bursts of hissing sparks. The robots do work that was once done by human workers. Painting and body-part pressing is also almost wholly automated.

There is no single assembly line in Trollhattan but a series of "minilines" separated by buffer zones, where partly assembled vehicles wait to be passed from one work team to another.

"Carriers" bearing parts or whole subassemblies silently glide along passages between robot lines and work areas to computer-selected destinations. They stop smoothly when one of the soft bumpers detects a human standing in the way.

Trollhattan, and rival Volvo's plants at Kalmar and Torslanda, near Gothenburg, are the state of the art of Sweden's auto industry. But they will not be for long. Both companies are investing billions of kronor in a new generation of assembly plants at Uddevalla for Volvo and at Malmö, on the southern tip of Sweden, for

Saab. These plants are scheduled to be fully operational in the early 1990s.

Both facilities are to be built on the sites of abandoned shipyards, the mute remnants of Sweden's once-powerful shipbuilding industry.

Despite the extensive use of robotics, computer-assisted design and automated process control, the buzz words for future auto production methods in Sweden are "sociotechnology" and "job design," rather than the jargon of computer hardware and high technology.

"There is a widespread misunderstanding about the role of technology in our future factories," said Bert Jonsson, AB Volvo's vice president for human resources.

"There is a part of the manufacturing process that can be automated, such as the pressing of sheet steel, the making of motor blocks, transmissions, as well as painting and body welding. All these can be and all these are automated. But there is a part of production — the final assembly — which no one has automated and which won't be automated in the foreseeable future."

Volvo officials say that the future of the Swedish auto industry depends on innovations in the quality of work rather than the physical and technical processes involved, and their counterparts at Saab agree.

"The 'big bang' of high technology gives you a choice," said Mr. Svensson of Saab. "You can use your people just to load the automated machines, or you can use the operator's intelligence as far as possible. One way is to integrate the tasks around the direct assembly process, such as planning, materials handling and administration."

Saab has evolved an 8- to 10-member team system for its car assembly plants based on job rotation and considerable autonomy by each team in setting routines and objectives. Computerized process control has been decentralized, with each minilane controlled by its own computer, which one or several members of the respective production team are able to maintain and program.

Volvo's innovations in production are synonymous with the plant it opened in 1974 in Kalmar, on the east

coast of Sweden. Kalmar pioneered the use of teams and the breakdown of the assembly line into work areas, with cars moving along on carriers. Because it started its innovations all at once, Kalmar got more international publicity than the evolution of similar methods at Saab.

At their future plants, however, Saab and Volvo will be taking different paths in the development of work environments. Volvo's Uddevalla plant will actually consist of six workshops, each staffed by around 100 workers that will be responsible for the complete assembly of individual cars from start to finish.

EACH shop will also be its own profit center, with workers' compensation packages including some form of incentive for improving productivity. Several teams may work side by side, but each will start with a "kit" of parts and finish its work by driving or rolling away a new car, according to Mr. Jonsson.

Exact plans for the working environment at Uddevalla are incomplete and are being developed by a small-scale experimental workshop near the future site that is training future employees.

Volvo officials say that the Rolls-Royce, widely considered as the world's finest car, is hand assembled, and the new facility at Uddevalla may try to create the atmosphere of a craftsman's workshop while maintaining the speed and efficiency to produce up to 80,000 cars per year on two shifts.

At Saab, Mr. Svensson indicated that the new Malmö plant will probably run along the same lines — "a matrix of work teams" — as Trollhattan.

The main problem will be to arrange work so as to stimulate, challenge, educate and retain skilled workers, he said. A 10 percent or 12 percent turnover per year, with its loss of skills, can be just as damaging to Saab as a breakdown of a highly complex automated production line.

JURIS KAZA, a journalist based in Stockholm, contributes regularly to the International Herald Tribune.

PS-2 Gets Mixed Review

NEW YORK (NYT) — The executives responsible for buying and maintaining microcomputers for large corporations and government offices are giving the new IBM Personal System 2 computers a mixed review.

International Data Corp., a market research organization based in Framingham, Massachusetts, recently asked 200 management information systems heads to give their opinions of the PS-2 line of computers.

Only 1 percent expressed "unbridled enthusiasm," while 34 percent reported "moderate enthusiasm" and another 34 percent responded that it was "about what I expected."

But 27 percent asked, "Where's the beef?" And 4 percent expressed "dismay and/or outrage."



For the manufacture of herbicides we have the best partner of all: mother nature.

BASF
Innovations in chemistry

One of the aims of agrochemical research is to achieve a good action using as little active ingredient as possible.

BASF research workers have succeeded in developing certain phytohormone herbicides which almost halve the amount needed for weed control without any loss in effectiveness.

The key to this success is provided by nature — by natural raw materials and the biotechnological processing of them.

Matze, potatoes and cereals yield glucose, which in turn is converted by lactic acid bacteria into lactic acid.

This is the building block for the specific manufacture of the biologically active component in certain phytohormone herbicides.

This biotechnological stage is followed by the manufacture of the end product by conventional chemical processes.

The active ingredients applied so far are compounds which consist of active and inactive components, or what scientists call dextrorotatory and levorotatory

molecules. Now for the first time biotechnology has made it possible to isolate and produce those molecules which are responsible for the herbicidal action.

The result: the amount of phytohormone herbicide applied to the field can be almost halved.

This advance means that the quantities stored and applied are smaller, and that use can be made of naturally replenished raw materials.

This achievement is an example of how biotechnology dovetails with chemistry.

BASF is convinced this is where the future lies and is backing its conviction to the hilt.

To translate scientific knowledge to an industrial scale is one of the most challenging tasks of our times.

BASF research for agriculture: new ideas reveal new perspectives.

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BASF

Photomicrograph of lactic acid bacteria under polarized light.



Toast of Tokyo: A Bread Machine

FOR those who have spent hours kneading dough, only to see it shrivel in the oven, Japanese companies are selling an automatic fresh bread machine. Pour water, dry yeast and flour into the top, switch it on and the machine mixes the dough, kneads it and bakes it. Up to four hours later, a fresh loaf appears.

The popularity of the machines, which sell for about 35,000 yen (\$240), has delighted the companies. Reuters reports from Tokyo, Matsushita Electric sold 150,000 of the small, square machines in the three months after it launched the product in March.

Matsushita plans to double its output of the bread machines to 100,000 sets a month. Funai Electric, an Osaka-based home appliance maker, has sold 36,000 sets since March. Toshiba, Hitachi and Sanyo two weeks ago announced plans to market similar machines.

Matsushita has no immediate export plans, but Funai plans to sell the machines in the United States and Europe by the end of the year.

PC Price Watch

PERSONAL-computer prices in the United States are heading down again. It happens every spring. But is it a good time to buy?

T.R. Reid and Michael Schrage, The Washington Post's computer watchers, are not so sure. They report that prices for IBM-PC and -XT and clones are falling fast. But they point out that the sharp drop — \$200 to \$500 for various models of MS-DOS machines — began right after IBM launched its new line. They note that the PS/2 (or at least the Models 50, 60 and 80) has made MS-DOS computers obsolete.

A compromise: Some existing MS-DOS computers based on the 80286 microprocessor (IBM PC-AT or Kaypro 286) or the 80386 (Compaq Deskpro 386) will be able to use the new operating system and may run some of the software.

Technology At Home

Beyond Swatch, Swiss Innovating

By Thomas Netter

GENEVA — Ever since the mass-produced, multicolored Swatch sparked a revival of the Swiss watchmaking industry, Swiss watchmakers have been producing more and more watches that have less and less to do with just telling you the time.

Using the Swatch and its roaring success as a model and, perhaps, an inspiration, many watch manufacturers from Geneva to the Jura have gone beyond the original mass-produced, plastic-molded cases, rainbow colors, scented wristbands and multi-colored designer dials that mark the Swatch and Swatch-clones.

Some watches like Tissot's "Rock-watch" are just that, made of a piece of granite. Others, like "Le Clip," created by an entrepreneur named Michel Jordi last year, stick to the plastic and color formula and clip on just about anything.

"Flak-Flak," created by Swatchmaker ETA of Biennne comes in 10 "child pleasing colors" and a cardboard clock that helps children learn to tell time through the use of hands on the watch named Flak and Flak.

Undaunted by Le Clip, Swatch has struck back with its "Swissbee," a watch on a large plastic paper-clip holder intended to be more chic than Le Clip's clothespin type design.

But all this is mostly in the realm of inexpensive fashion accessories, nov-



Avalanche watch.

elties to be worn in different colors and different outfits, which is exactly what they are intended for — with the underlying tendency to be sold in greater and diverse styles and color like shoes or hats.

But technology has also gone beyond fashion.

Perhaps the most interesting and ambitious gadgets to emerge this year are the "Two-Timer" and "Pop-Recco." One saves time, and the other can help save lives.

Pop-Recco is designed to help locate people buried by avalanches. The joint effort of Swatch and a Swedish firm, RECCO A.B. of Stockholm, is basically a watch that clips into a small transmitter case worn on the wrist or on a strap around the arm.

Pop-Recco works with a receiver manufactured by RECCO that has been lent or leased to 17 ski resorts and rescue services in Switzerland, eight in France, eight in Austria and two in Italy. If a person is buried in the snow, the Pop-Recco reflects the signal emitted by rescue helicopters searching the area.

The system saved at least one life last winter, according to Daniel Koch of ETA S.A. in Grenchen, where the Pop-Recco is made. The watch, in different, high-visibility colors, sells for 75 Swiss francs (about \$50). The Recco System, as the receiver is called, is not for sale, Mr. Koch says.

Tissot's "Two-Timer," the time-saver, is more mundane, but has nevertheless been hailed as revolutionary in its production method. The Two-Timer dispenses with a step in the production of the watches that involves separate manufacture of the plating and casing for the movement.

Aside from its nontraditional blending of an analogue dial face and digital time, date and day readout, the Two-Timer's most thought-provoking element is the insertion of the watch's moving parts into a stamped case. François Niklas of Tissot, a research and development specialist, said that this process cuts the number of parts used by 10 percent, and more importantly, saves from 30 percent to 35 percent of the manufacturing cost.

The Two-Timer is made by the Tissot brand of the SMH group, or Swiss Society for Microelectronics and

Watchmaking Industries. Ltd. SMH is the hybrid of the 1983 merger of the giant ASUAG and SSIH groups under a rescue package arranged by Swiss banks amid sale losses and price cutting by cheaper, non-Swiss rivals profiting from the electronic watch boom.

The Two-Timer, in nine varying "unisex" styles and colors costs 100 Swiss francs.

Innovation does not stop there. This month the "Wind-Watch," invented by Jean-Martin Rufer and manufactured by Guy Cartin of Breuleux, goes on sale for 100 Swiss francs, and will allow wind-surfers to gauge the wind speed on land or surfboard. Waterproof and in high-visibility colors, the watch is worn around the neck on a cord.

All these watches are in the low-price range and have resulted from a deep structural change in the Swiss watchmaking industry that saw employment plummet from 90,000 in the 1970s to 32,000 in 1985. Labor-intensive manufacture of movements has in many cases been replaced by machines and, according to the most recent survey published by the Union Bank of Switzerland, a majority of watchmakers regard their future earning prospects as favorable to satisfactory.

With 10 percent of world market volume in non-centrally planned economies and 45 percent of the value, Switzerland remains the world's leading exporter.



Inspired by the moon landings, George Daniels, above, created the "Space Traveler's Watch" with old-fashioned technology, his hands. The \$330,000 watch, shown in Basel in April, displays solar and sidereal time, which is based on the rotation of Earth in relation to the stars.

The Latest in Entertainment: Compact Disc Goes Video

By Beth Karlin

WASHINGTON — Just when you thought you had the very latest in audio-video equipment, you're hopelessly out of date. At least that's what consumer electronics companies want you to believe.

Hot on the heels of the enormous success of audio compact discs, manufacturers now are pushing compact disc video (CDV) as the latest must-have product.

The new CDVs are five-inch (12-centimeter) platters that combine short "video-clips" with music. Two types of players have been developed to handle the CDVs. One works only with the five-inch discs, while the other "combi-player" also handles two bigger discs that feature full-length movies and concerts.

BETH KARLIN, a journalist based in Washington, specializes in technology. CHRISTINE CHAPMAN is a journalist based in Tokyo.

CDV players exclusively for the five-inch format will start at about \$500, while the combi-players will cost more than \$800 in the United States. Both offer compact disc sound and high-quality video.

CDVs were introduced at the Consumer Electronics Show in Chicago in early June. Pioneer began shipping the first products in June, with a European launch planned for fall. Others, including Hitachi, Philips, Toshiba and Yamaha, plan to start selling their products later this year or early next year.

The five-inch version is best suited to MTV-style videos and, not surprisingly, is aimed at the youth market.

Combi-players, meanwhile, represent an attempt to revive an existing technology — laser discs — that never really got off the ground in the United States and Europe.

"It's old wine in a new bottle," said David Rosen, director of electronic entertainment for Link Resources, a market research firm. This format, popular in Japan, initially failed elsewhere in face of stiff competition from video cassette recorders (VCRs), which use

erasable tapes that can be recorded over and over, while laser disc players cannot record.

Electronics companies are focusing on the more versatile combi-players. Pioneer, for example, has no immediate plans to introduce a dedicated five-inch player.

The marketing pitch is aimed at connoisseurs who want a complete home entertainment system, including both VCR for recording and combi-player for classics. "It's for the consumer looking for the best in sight and sound," said Michael Fidler, marketing vice president for Pioneer Electronics (U.S.A.) Inc.

John Messerschmitt, who spearheaded CDV development at North American Philips and is one of the leading proponents of laser disc technology, believes that as many as 700,000 players could be purchased next year.

"The price will come down," he said. "And the units and discs will get better and better."

But some analysts wonder whether there is a large market for these products, particularly the five-inch model. "The audio portion of the video clips run four times longer than the video," one industry observer pointed out.

"It's hard to understand why anyone would pay \$500 to see just a short video clip."

And some consumer electronics companies still have reservations. Sony, for example, showed a prototype in Chicago, but reportedly is still not firmly committed to CDVs.

"The key will be in the availability of discs," said Mr. Fidler of Video Review. "It's a software-driven market."

At present, there are about 2,000 titles available on 12-inch laser discs and a few hundred eight-inch laser discs featuring concerts and full-length movies.

Capitol, CBS, Polygram and Warner/Electra and other record producers say they are committed to the CDV concept. They plan to introduce more than 250 different five-inch discs between now and Christmas. The video clips will cost between \$6 and \$8 to start.

Record companies, meanwhile, are stepping up production of laser disc movies and concerts, especially classics. "Videos are becoming collectibles," Mr. Rosen said.

Movie companies also are excited about the resurrection of laser discs via combi-players.

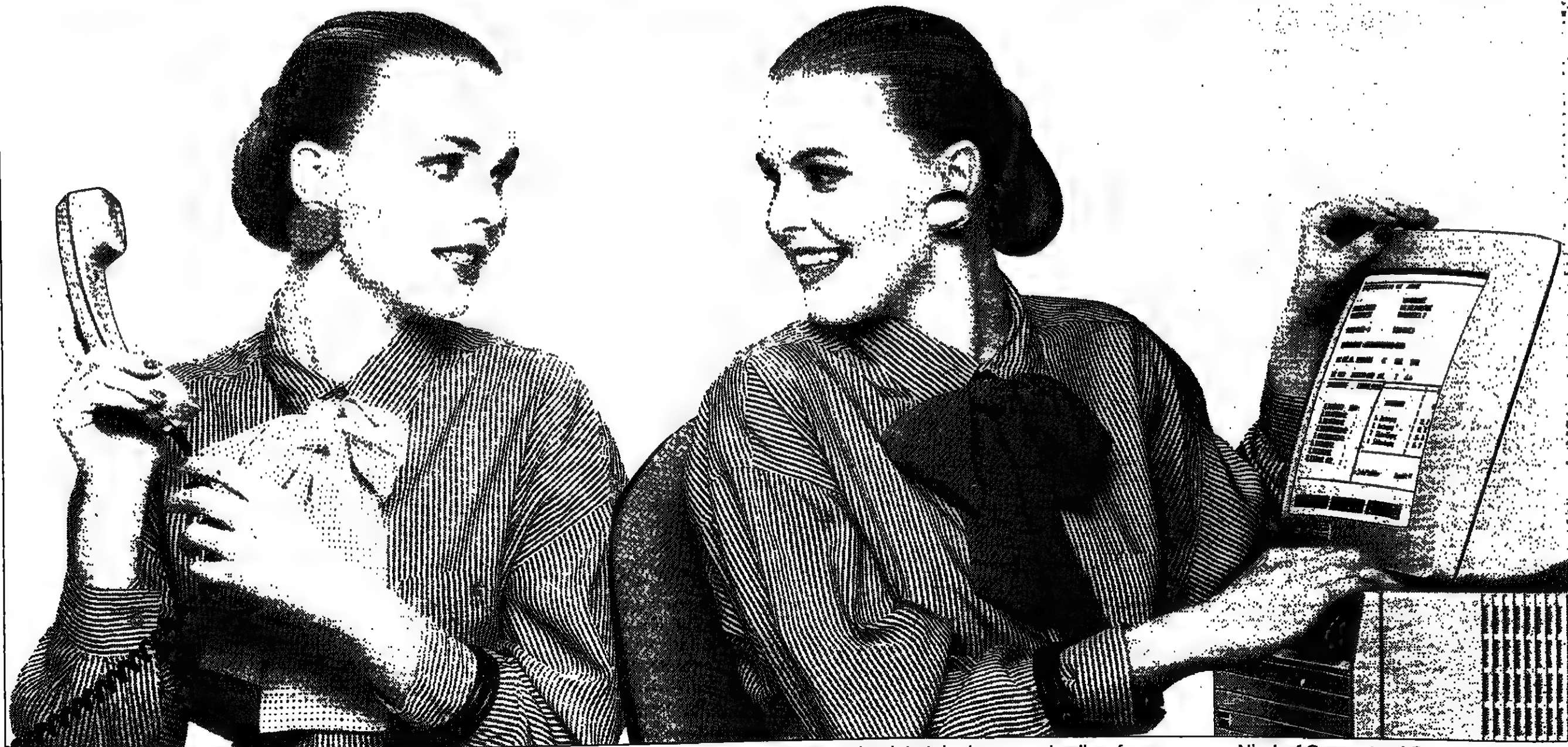
Laser discs are much harder to pirate than VCRs.

TOKYO — The CLD, or compact laser disc combination player, was introduced in Japan on June 1, priced at 148,000 yen (\$1,050) or about \$250 more than the cost in the United States, Christine Chapman reports. A Pioneer spokesman said the differential reflects "strategic reasons" and a "different market situation."

Hajime Uchida, manager of the European section of Pioneer's international marketing division, said the European version will use a different color system than the U.S. and Japanese models. "We must make small changes in the system to fit their specifications," he said.

To achieve a finer, clear picture, more horizontal lines have been added. A super-refined digital recording is produced by doubling the filter capacity to achieve a higher frequency and less "jitter and noise," according to Pioneer, which credits its "sharp-eyed semiconductor laser."

Nixdorf turns DP and telecommunications into twins



Until now, they were not even related. But through the medium of the Nixdorf Digital PABX System 8818, EDP and telecommunications become part of an integrated in-house information system which permits simultaneous transmission of speech, data, text, and graphics over a single telephone line.

The individual workstation can now be equipped with all of the information and communications components. The result is

up-to-the-minute information, greater flexibility, and increased productivity.

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Bangkok's Bubbly Market Seems Unlikely to Burst

By PATRICK L. SMITH

BANGKOK — There is a sense of déjà vu among local investors in Thailand these days. For many, the stock market's recent performance resembles nothing so much as a two-year boom in the late 1970s, when the exchange's composite index rose to a record 1,066 and then collapsed when a prolonged speculative fever finally broke.

After years of lackluster trading, the Securities Exchange of Thailand is again on a roll. The SET index has gained almost 120 percent in the past 12 months, and turnover has shot up at several times that rate, just as it did a decade ago.

Understandably, local buyers are nervous all over again about the relatively high prices stocks are fetching. Most analysts say that this explains the recent pause of the SET index, which has hovered at about 280 since it reached that level earlier this month.

Among the world's small, newly popular markets, however, it is hard to match Bangkok's continuing attractiveness. Despite the market's gains, shares are still cheap by international standards. Solid economic prospects suggest that this time, "there are no bubbles to burst," as one analyst put it. On Monday, the index ended at 288.44, a gain of 6.76 points. Turnover was unusually heavy, valued at 636.93 million baht (\$24.7 million).

"Prices are high from a local point of view," said Udom Vichayabhai, managing director of Mutual Fund Co., a unit-trust affiliate of Industrial Finance Corp. of Thailand. "But they won't seem that way in one or two years' time."

As in many other Asian markets this year, low interest rates and increased foreign buying have been key factors in Bangkok's performance. Underlying this, however, is an important transition in the economy as a whole.

Last year Thailand reported its first current-account surplus in more than two decades. After a relatively sluggish economic performance for most of the 1980s, the nation is now braced for three to five years of uninterrupted growth at an annual rate of 5 to 7 percent.

WE MAY BE LOOKING at a modest correction over the next few weeks," said Choochua Sophonpanich, managing director of Bangkok First Investment & Trust Ltd. "But the economy is on a very solid footing. It's clearly going to push the market further."

Among the exchange's 93 listings, first-quarter earnings per share showed gains of 25 percent or so over the corresponding period last year. Second-quarter reports, which are due soon, are expected to indicate similar gains.

Calculated on an unweighted basis, Bangkok's price-to-earnings ratio is now about 13, compared with 6 or 7 in the years following the boom and bust of the late decade. For the market's leading stocks, however, it is still 10 to 12, and lower than that for the most dynamic local corporations.

Reflecting a substantial shift in the economy toward manufacturing and exports, the market has been led so far by textiles, construction stocks and commercial issues. Listed securities companies, such as Thai Investment & Securities Co., or Tisco, have also made large gains.

Banks, which account for almost 40 percent of the market's total capitalization, have lagged. But with many of their high-interest obligations now retired, analysts expect bank shares to rank among the top performers in the second half of this year.

For overseas investors in small markets, Bangkok now poses a familiar problem: getting in. Many of the 10 to 15 stocks around which foreign interest normally centers have reached their legal limits for overseas ownership, which is usually between 25 percent and 35 percent of issued capital, depending on the listed company's activities.

As a consequence, popular blue chips such as Siam Cement, the Saha-Union textile group and Bangkok Bank are command-

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Saatchi To Merge Agencies

New York Firm Will Be Biggest

Compiled by Our Staff From Dispatches

NEW YORK — Saatchi & Saatchi Co. said Monday that it will merge its Dancer Fitzgerald Sample Inc. unit with Saatchi & Saatchi Compton Inc., creating the largest advertising agency in New York.

It said the resulting agency would have combined billings of \$2.3 billion in the United States.

The long-awaited merger strengthens the position of Saatchi, which has a total \$4 billion in billings, as one of the top three ad agencies in the world, along with Dentsu of Japan and Young & Rubicam of New York.

The merger will create a global operation that will be called Saatchi & Saatchi Advertising Worldwide. The New York division will be known as Saatchi & Saatchi DFS Compton Inc. and the U.S. domestic holding company as Saatchi & Saatchi Compton DFS Advertising.

Saatchi & Saatchi said the new company's clients will include Procter & Gamble, RJR Nabisco, General Mills, New York Life and Toyota, among others.

It said Edward L. Wax, formerly president of Saatchi Compton, will be president of the new New York company, and Gary M. Susnjara, formerly chairman of Dancer Fitzgerald, will be chairman.

At Saatchi & Saatchi Advertising Worldwide, Stuart R. Upson of DFS and O. Milton Gossard of Compton will be co-chairmen and co-chief executives.

Saatchi & Saatchi, the British-based parent company, is the world's largest advertising agency holding company, followed by the Interpublic Group of Companies, Omnicom, and the JWT Group.

Saatchi & Saatchi merged Dancer Fitzgerald with its London-based Dorland Advertising Agency last year.

(Reuters, AP, NYT)

BBC Pays Libel Damages

The British Broadcasting Corp. agreed Monday to pay an undisclosed sum in libel damages for reporting that Britain's Conservative Party dropped Saatchi & Saatchi as its advertising company in the last week of Britain's election campaign. The Associated Press reported from London.

American Slated as Jardine's Tai-Pan

Old-Line Hong Kong Trading Company Taps New Blood

By Nicholas D. Kristof

New York Times Service

HONG KONG — It is not power so much as magic that swirls about the tai-pan, or "big boss," of the Jardine Matheson group — a legacy of opium and intrigue that goes with being the head of Asia's famous trading company. Chronically as Siruan & Co. in James Clavell's novels, Jardine is more than an international conglomerate; it is a legend.

At least nine streets in Hong Kong are named for tai-pans as Jardine, a 155-year-old business that dealt in opium and silk in the last century and deals in everything from ice cream to investment banking today. The tai-pan of the Noble House — or the Princesly Hong, as Jardine is also known — inherits the mantle of William Jardine, the first tai-pan, a shrewd Scotsman nicknamed by the Chinese "iron-headed old rat."

Most of the Jardine tai-pans come from the same family tree, serving in Hong Kong before retiring to London or the family estate in Scotland. So Hong Kong was surprised at an announcement that a 37-year-old American investment banker, with just 14 months' experience at Jardine, is set to become its next tai-pan.

Brian M. Powers is 6 foot 2 inches (1 meter 84 centimeters), sandy-haired with a hint of gray, and looks a bit too affable to be tai-pan. He talks fast, with ideas, quips and analyses flying through the air like shotgun pellets. And for years — ever since his first job at a New York law firm — he has set himself apart from others with his long workdays, even in offices where lengthy hours were the norm.

Last fall, during negotiations on a Jardine sale of some of its U.S. oil interests, he flew to San Francisco for the day to try to get a better price — a move that worked and that impressed the man who counts most at Jardine: Simon Keswick, the current tai-pan and a distant relative of William Jardine.

"People in Hong Kong think they work very hard," Mr. Keswick said in his office 48 floors above Hong Kong's bustling central district. "I think Brian has demonstrated that people in New York work even harder."

And so the 45-year-old Mr. Keswick (pronounced KEH-zick) announced earlier this month that he would relinquish his position of managing director



Brian M. Powers had just 14 months' experience at Jardine when chosen to be its new managing director.

of the Jardine companies to Mr. Powers. Mr. Keswick will remain as chairman, but, he says, he will spend more time outside Hong Kong. He calls Mr. Powers the "hair-elect," and says he already regards Mr. Powers as tai-pan. That may be a bit premature.

"The business style is different. The Brits are much more civilized than Americans."

— Brian M. Powers

but the expectation, within Jardine and without, is that moving will appear sometime over the next year or so at 35 Mount Kellett Road, the residence of the tai-pans, on the Peak on Victoria Island. Mr. Keswick, it is said, will retain the title of chairman from London, just as his uncle, Sir John Keswick, did two decades ago.

Mr. Powers will presumably inherit the Mount Kellett Road

home, as well as the tai-pan's second residence at Shek O, along the water. He apparently will also assume a seat on the board of Hongkong & Shanghai Banking Corp. and the coveted position as steward of the Royal Hong Kong Jockey Club.

But most of all, there is Jardine to command. As managing director, Mr. Powers will head up a network that sells cognac in Japan, operates the renowned Oriental Hotel in Bangkok; runs Pizza Huts in Hawaii and 7-Eleven stores in Malaysia; oversees ship management in the Pacific, construction in China and investment banking throughout Asia.

The empire — with 1986 revenues of \$1.3 billion and after-tax profits of \$61 million — employs 61,000 people in 22 countries and includes Jardine Matheson Holdings, Jardine Strategic Holdings and controlling interests in Hongkong Land Co., Mandarin Oriental Hotel Group, and Dairy Farm International Holdings.

To this may be added some large U.S. company. Mr. Powers says the group is looking for ac-

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EC Broadens Dumping Duties To Cover Parts

Compiled by Our Staff From Dispatches

LUXEMBOURG — The European Community on Monday extended its anti-dumping duties on imports to cover parts assembled in the EC, a move designed to prevent manufacturers from circumventing the levies.

The community's 12 foreign ministers, meeting in Luxembourg, unanimously agreed to impose duties if the value of the imported parts of a product assembled in the EC exceeds 60 percent of the total value.

The legislation will make it harder for companies to avoid duties by setting up European plants, said the EC's external trade commissioner, Willy De Clercq.

These so-called "screwdriver operations" have been severely criticized because they use virtually no European parts.

Diplomats said the move showed that the EC was growing more frustrated with South Korean and Japanese companies, although EC officials said the measures would apply to all foreign companies.

They said that items most likely to be affected would be photocopi-

ers, electric typewriters and scales. The new legislation will affect only goods against which anti-dumping action has already been taken. EC officials said.

Goods produced at plants linked to companies already identified by the EC as having dumped goods — sold them at artificially low prices — would be subject to duty at the same rate.

The new measure capped months of lobbying by EC makers of consumer goods.

They argued that Japanese and South Korean producers of electronic consumer goods, in particular, had avoided duties by assembling their products in EC nations such as Portugal, Greece and Ireland, where labor costs are relatively low.

These nations had expressed fears that extending anti-dumping levies to EC-assembled components could cut investments.

But Mr. De Clercq said, "This measure is not aimed at investments and is surely not against foreign investments."

(Reuters, AP)

Court Leaves Bank Role In U.S. Securities Intact

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. Supreme Court, refusing Monday to become involved in a bitter dispute between bankers and the securities industry, left intact a ruling that banks may act as middlemen in the sale of commercial paper.

The court, without comment, left intact rulings that the banks are not trading illegally in the securities industry by dealing in large-denomination corporate IOUs.

The lengthy legal battle began in 1979 when the Securities Industry Association, a trade group of underwriters, brokers and securities dealers, challenged a decision by Bankers Trust Co. of New York to enter the commercial paper field.

Commercial paper is issued by corporations in need of quick cash. The corporation contracts with an institution such as a pension fund, issuing an unsecured promissory note with a maturity of less than nine months and a set interest rate in return for cash.

Such transactions have tradi-

tionally been handled by investment bankers, who receive a commission. As the business boomed, with outstanding commercial paper rising from about \$15 billion in 1966 to about \$300 billion in 1986, banks lost the loan business, and then sought to enter the market.

The Federal Reserve Board approved the activities of Bankers Trust, ruling that commercial paper is not a "security" under federal banking law. The Supreme Court in 1984 overruled the Fed on that issue, but did not ban banks from dealing in commercial paper.

Instead, the justices sent the case back to the U.S. Circuit Court of Appeals here for further study. The appeals court ruled in December that the banks may deal in commercial paper, even though the IOUs can be considered securities.

The appeals court noted that Bankers Trust does not expose itself to risk by purchasing commercial paper itself or underwriting the sale of commercial paper.

(AP, UPI)

N.Y. Group Has Interest In Harcourt

Reuters

WASHINGTON — A group led by Mutual Shares Corp., a New York investment firm, said Monday that it had acquired stock and subordinated debentures in Harcourt Brace Jovanovich Inc. that could give it a potential 22.5 percent stake in the U.S. textbook publisher.

In a filing with the Securities and Exchange Commission, Mutual Shares and a group of affiliated funds said that they held 180,500 shares of common stock and 11,200 subordinated debentures. They said that the debentures might be convertible into 11.2 million Harcourt common shares at \$1 a share.

The disclosure meant that 58 percent of Harcourt might already be accounted for, and further complicated Harcourt's effort to resist a hostile takeover by Robert Maxwell, the British publisher.

Salomon Brothers Inc., the U.S. securities firm, told the SEC last week in a filing that it held 21,978 debentures that could be converted into 21,978 million common shares, or 35.8 percent of Harcourt.

Harcourt is arguing in a Florida court that conversion rights on the debentures, each of which has a \$1,000 face value, expired on June 8. Hearings opened Monday in Orlando on the case, in which both Salomon and the Mutual Shares group have intervened.

Even if the court rejects Harcourt's claim, the Mutual Shares stake could amount to less than 22.5 percent because of dilution that would occur if other debenture holders also converted to common stock.

The debentures are crucial to a \$3 billion "poison pill" recapitalization plan designed by Harcourt to thwart Mr. Maxwell's bid. On Wall Street, traders said Monday there was concern that the Florida lawsuit might result in a modification of the plan.

Harcourt rejected a \$2 billion bid last month from Mr. Maxwell's British Printing & Communications Corp. After Harcourt announced its recapitalization, Mr. Maxwell withdrew his offer, but filed suit in U.S. District Court in New York to block the plan.

Mr. Maxwell's suit argues that the recapitalization plan is illegal because it contains a special distribution for shareholders that ca-

See HARCOURT, Page 17

Japan Backs 'Buffer' Currency Fund

By Carl Gewirtz

International Herald Tribune

HAMBURG — Japan's vice minister of finance suggested Monday that the leading industrialized nations consider setting up an international buffer stock of currencies as an additional means of stabilizing exchange rates.

Such a fund would be employed in much the same way that buffer stocks are used by commodities producers to smooth out price swings. But it would not replace the need for more effective economic policy coordination by the major countries, the official, Toyoko Gyothen, told leading central and commercial bankers attending a three-day monetary conference here.

Such a fund would have merit as a mechanism "to cope with unpredictable emergencies or unjustified volatilities," Mr. Gyothen said.

Because of the huge size of foreign exchange markets, where up to \$150 billion can be traded in a day, such a fund would need at least \$100 billion to be effective, he added.

But on that scale, intervention could "alter the money supply in respective economies and influence the price of their currencies," he said.

Mr. Gyothen emphasized, however, that no stabilization arrangements will be successful "unless the market is convinced that the existing disequilibria in the world major economies are now being reduced."

His suggestion came at a conference dominated on its opening day by concern over exchange-rate turmoil and its effect on world investment.

Among the day's speakers, there was unanimous agreement that currency instability resulted not from the floating-rate exchange system, however, but a mismatch of national economic policies.

"We are all agreed that the sys-

tem of floating exchange rates reflects, not causes, the problems," said Walter Seipp, chairman of Commerzbank AG of West Germany.

In a speech, Finance Minister Gerhard Stoltenberg of West Germany said that steps taken so far to coordinate policy had succeeded in calming the markets. "We cannot, however, be content with what has been achieved," he said.

He urged the Reagan administration to take further steps to cut the U.S. budget deficit and Japan to do more to open its financial markets. He said that all countries should look again to see what else could be done, but outlined no additional steps his own government was willing to take.

"We can't be more expansionary" beyond undertaking the tax cuts previously announced, he said. Richard Cooper, an economics professor at Harvard University, argued that the present floating-rate system "is not sustainable and will change over time."

Mr. Cooper said that the frequent, long periods of misvaluation were creating an "intolerable" impact on nonfinancial businesses.

"Businessmen will want insulation from exchange-rate variability, which introduces a capricious element into decision-making," he said.

"We should begin to think seriously about where we really want the international monetary system to go, because it is going to move someplace else whether we like it or not," he added.

An ever-increasing share of commercial banks' profits are derived from foreign exchange trading. The only discordant note sounded at the conference was a remark by Jan Ekman, vice chairman of Svenska Handelsbanken.

Mr. Ekman suggested that bankers discuss "the need and possibilities for establishing an internation-

al set of rules for private bank conduct and volume trade in the foreign exchange markets."

The recommendation, he admitted privately, was difficult to make "in an audience like this," composed of senior executives of 109 of the world's largest commercial banks.

Mr. Ekman said that he was seeking through his public com-

See BANKS, Page 19

Currency Rates

Cross Rates	June 22
American dollar	100.00
British pound	163.25
French franc	6.55
German mark	1.36
Italian lira	2036.27
Japanese yen	163.25
Netherlands guilder	3.76
Spanish peseta	166.64
Swiss franc	9.00
West German mark	1.36
Yen	163.25

Other Dollar Values	June 22
Australian dollar	1.27
Belgian franc	33.36
Canadian dollar	70.87
Chinese yuan	8.28
Danish krone	6.46
Deutsche mark	1.36
Dracma	340.75
Escudo	200.48
Florin	36.36
French franc	6.55
Italian lira	2036.27
Japanese yen	163.25
Netherlands guilder	3.76
Spanish peseta	166.64
Swiss franc	9.00
West German mark	1.36
Yen	163.25

Source: Reuters, AP, and other sources. All rates are for 100 U.S. dollars unless otherwise indicated. All rates are for 100 U.S. dollars unless otherwise indicated.

Interest Rates

European Deposits	June 22
1 month	6.75%
3 months	7.00%
6 months	7.25%
1 year	7.50%

Source: Reuters, AP, and other sources. All rates are for 100 U.S. dollars unless otherwise indicated. All rates are for 100 U.S. dollars unless otherwise indicated.

Key Money Rates

United States	June 22
Discount rate	5 1/4%
Prime rate	8 1/4%
Federal funds	6 1/4%
Call money	6 1/4%
3-month Treasury bills	5 1/4%
6-month Treasury bills	5 1/4%
1-year Treasury bills	5 1/4%
3-month CDs	6 1/4%
6-month CDs	6 1/4%
1-year CDs	6 1/4%

Source: Reuters, AP, and other sources. All rates are for 100 U.S. dollars unless otherwise indicated. All rates are for 100 U.S. dollars unless otherwise indicated.

Asian Dollar Deposits

Asian Dollar Deposits	June 22
1 month	7.75%
3 months	7.75%
6 months	7.75%
1 year	7.75%

Source: Reuters, AP, and other sources. All rates are for 100 U.S. dollars unless otherwise indicated. All rates are for 100 U.S. dollars unless otherwise indicated.

U.S. Money Market Rates

U.S. Money Market Rates	June 22
3-month Treasury bills	5 1/4%
6-month Treasury bills	5 1/4%
1-year Treasury bills	5 1/4%
3-month CDs	6 1/4%
6-month CDs	6 1/4%
1-year CDs	6 1/4%

Source: Reuters, AP, and other sources. All rates are for 100 U.S. dollars unless otherwise indicated. All rates are for 100 U.S. dollars unless otherwise indicated.

Gold

Gold	June 22
Spot	\$354.00
1 month	\$354.00
3 months	\$354.00
6 months	\$354.00
1 year	\$354.00

Source: Reuters, AP, and other sources. All rates are for 100 U.S. dollars unless otherwise indicated. All rates are for 100 U.S. dollars unless otherwise indicated.

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Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE St. 100 High Low One Day Chg.

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
34.2	29.4	IBM	3.20	4.1	12.5	A	120.00	118.00	+2.00
31.8	28.2	AT&T	2.00	4.5	11.5	A	105.00	104.00	+1.00
28.4	26.8	GE	1.20	4.2	10.5	A	95.00	94.00	+1.00
26.2	24.6	Ford	1.00	4.8	10.0	B	85.00	84.00	+1.00
24.0	22.4	Walt Disney	0.80	4.0	11.0	A	75.00	74.00	+1.00
21.8	20.2	Merck	0.60	3.8	12.0	A	65.00	64.00	+1.00
19.6	18.0	Johnson & Johnson	0.50	3.5	13.0	A	55.00	54.00	+1.00
17.4	15.8	Pfizer	0.40	3.2	14.0	A	45.00	44.00	+1.00
15.2	13.6	Amgen	0.30	3.0	15.0	A	35.00	34.00	+1.00
13.0	11.4	Novartis	0.20	2.8	16.0	A	25.00	24.00	+1.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
10.8	9.2	Boehringer	0.10	2.5	17.0	A	15.00	14.00	+1.00
9.6	8.0	Schering	0.08	2.2	18.0	A	12.00	11.00	+1.00
8.4	6.8	Glaxo	0.06	2.0	19.0	A	10.00	9.00	+1.00
7.2	5.6	Roche	0.04	1.8	20.0	A	8.00	7.00	+1.00
6.0	4.4	Novartis	0.02	1.5	21.0	A	6.00	5.00	+1.00
4.8	3.2	Amgen	0.01	1.2	22.0	A	4.00	3.00	+1.00
3.6	2.0	Novartis	0.01	1.0	23.0	A	3.00	2.00	+1.00
2.4	0.8	Novartis	0.01	0.8	24.0	A	2.00	1.00	+1.00
1.2	0.4	Novartis	0.01	0.6	25.0	A	1.00	0.50	+0.50

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.8	0.2	Novartis	0.01	0.4	26.0	A	0.80	0.40	+0.40
0.6	0.2	Novartis	0.01	0.3	27.0	A	0.60	0.30	+0.30
0.4	0.1	Novartis	0.01	0.2	28.0	A	0.40	0.20	+0.20
0.2	0.1	Novartis	0.01	0.1	29.0	A	0.20	0.10	+0.10
0.1	0.0	Novartis	0.01	0.0	30.0	A	0.10	0.05	+0.05

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	31.0	A	0.05	0.02	+0.03
0.0	0.0	Novartis	0.01	0.0	32.0	A	0.02	0.01	+0.01
0.0	0.0	Novartis	0.01	0.0	33.0	A	0.01	0.00	+0.01
0.0	0.0	Novartis	0.01	0.0	34.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	35.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	36.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	37.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	38.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	39.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	40.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	41.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	42.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	43.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	44.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	45.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	46.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	47.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	48.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	49.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	50.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	51.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	52.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	53.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	54.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	55.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	56.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	57.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	58.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	59.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	60.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	61.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	62.0	A	0.00	0.00	0.00

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	63.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	64.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	65.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	66.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	67.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	68.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	69.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	70.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	71.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	72.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	73.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	74.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	75.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	76.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	77.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	78.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	79.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	80.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	81.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	82.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	83.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	84.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	85.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	86.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	87.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	88.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	89.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	90.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	91.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	92.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	93.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	94.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	95.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	96.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	97.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	98.0	A	0.00	0.00	0.00

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	St.	100 High	100 Low	One Day Chg.
0.0	0.0	Novartis	0.01	0.0	99.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	100.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	101.0	A	0.00	0.00	0.00
0.0	0.0	Novartis	0.01	0.0	102.0	A	0.00	0.00	0.00

(Continued)

<p>Four-year notes have been experiencing a spread of one-year note and could also spur</p> <p>others Inc. wrote roundup that indicate that the differentials between has helped to capital into the long with market</p>	<p> AlliedProd GlaxoSmith PSN ASATC </p>	<p> BASIA NuverneMuVal Remchid </p>	<p>NEW LC</p>
	<p>AMEX High</p>		
	<p>NEW HIGH</p>		
<p> AdamsRustin AmTrac BlockEne CrownCr LoweMars ProffLama Telecom </p>	<p> AtaleneGrp AmTrak Conza Dixielite ManufacTime Serra </p>	<p> Am Ch Ch Ch Ch </p>	

BUSINESS ROUNDUP

Akzo NV Agrees to Buy Stauffer Unit From ICI

By Ronald van de Krol
Special to the *Harvard Tribune*
ARNHEM, The Netherlands — Akzo NV, the Dutch chemical and man-made fibers group, said Monday that it had agreed to buy Stauffer Chemical Co.'s specialty chemicals business from Imperial Chemical Industries PLC of Britain for \$625 million.

The transaction, to be completed next month, marks the third time that all or part of U.S.-based Stauffer has changed hands since December.

Unilever, the British-Dutch food and consumer products group, acquired Stauffer as part of its \$3.1 billion takeover of Chesebrough-Pond's Inc., the U.S.-based pharmaceutical group, in late 1986.

Earlier this month, Unilever re-couped more than half of the Chesebrough-Pond price by selling Stauffer to ICI for \$1.69 billion.

ICI made clear that it was buying Stauffer for its herbicides and other agrochemicals, and would sell the specialty chemicals division.

Akzo said the acquisition would expand its presence on the U.S. market, add to its range of specialty chemicals worldwide and boost research activities.

Stauffer's specialty products include high-performance lubricants, flame retardants and catalysts.

An Akzo spokesman said Stauffer's specialty chemicals business had consolidated revenue of \$325 million in 1986, plus a 50 percent share in joint ventures with total revenue of \$135 million.

The Stauffer division has a research center and six production plants in the United States, as well as activities in France, Japan, Argentina, West Germany, Belgium, Brazil, Australia and Canada.

Akzo's own chemical product division, which includes basic and specialty chemicals, accounted for about a quarter of last year's group revenue of 15.6 billion guilders (\$7.6 billion at current rates).

In March, Akzo's chairman, Aarnout Louw, said the company aimed to raise its level of U.S. investment to at least 20 percent of total assets.

The Akzo spokesman said the Stauffer takeover would raise U.S. assets to 19 percent.

Daihatsu Motor Asks Official Aid In Polish Deal

The Associated Press
TOKYO — Four Japanese companies, led by Daihatsu Motor Co., have asked the government to support a Polish auto manufacturing project that reportedly would cost 100 billion yen (\$704 million), the Ministry of International Trade and Industry said Monday.

MITI said it told the group that support would be difficult because creditor countries have not decided what to do about Poland's \$33.5 billion foreign debt. The group includes three trading firms, Mitsui & Co., C. Itoh & Co. and Sumitomo Corp.

The Nihon Keizai newspaper reported Sunday that under an agreement to be signed later this year, Poland's national automaker, FSO, is to assemble 3,000 of Daihatsu's compact cars a year beginning in 1988.

Later, the Japanese government would supply loans to build an integrated automobile plant capable of producing 120,000 cars a year beginning in 1992, Nihon Keizai said.

Marriott, Pritzkers Said to Pursue Allegis Buyout

By Sharon Warren Walsh
Washington Post Service

WASHINGTON — Marriott Corp. and Chicago's Pritzker family have been pursuing a joint buyout of Allegis Corp., the parent company of United Airlines, Hertz Corp. and the Westin and Hilton International hotel chains, according to sources close to the negotiations.

If they succeeded, the two interests would be likely to divide the Westin and Hilton International properties between them and sell off the airline and the car rental company, according to financial sources. Marriott is a hotels and foods group, and the Pritzkers own Hyatt Hotels Corp.

The cost of such a takeover has been estimated by analysts at about \$7 billion. By mated by analysts at about \$7 billion. By buying all of Allegis and selling off the non-hotel properties, Marriott and the Pritzkers would probably get the hotels for a better price than by bidding for the hotels separately, sources said.

The board of Allegis, which formerly was UAL Inc., said on June 10 that it planned to sell the company's rental car and hotel subsidiaries.

Terry Souers, a spokesman for Marriott, said Monday: "We are currently having no discussions regarding Allegis."

But he said that, "under the proper circumstances," Marriott would be interested in acquiring the travel conglomerate's hotel businesses.

Mr. Souers would not say whether Marriott had talked in the past with Pritzker representatives about Allegis.

However, industry sources asserted that Marriott and the Chicago-based Pritzkers had been involved in discussions for Allegis as recently as last week.

Allegis's shares closed Monday at \$90.375, up 12.5 cents, on the New York Stock Exchange. Marriott also closed higher, at \$42.875, up 12.5 cents.

Marriott, based in Bethesda, Maryland, reported sales of \$5.3 billion in 1986. Last year it bought rival Saga Corp. for about \$700 million and recently has been negotiating to buy Residence Inns and the Denny's Inc. restaurant chain.

Asked whether the Pritzkers were discussing a joint bid with Marriott, Darryl Hartley, Leonard, president of Hyatt Hotels Corp., said: "If that's true, I don't know it."

Representatives of Allegis could not be reached for comment.

The Pritzker family, which also owns Braniff Airlines, began to buy a stake in Allegis several months ago, at about the time United's pilots union put the company into play by proposing to buy United for \$4.5 billion.

Spokesmen for the union have said they will continue to try to buy United Airlines, and sources said Sunday that both Marriott and the Pritzkers would want to sell the airline.

Representatives of the pilots union could not be reached for comment Sunday.

A second group of Allegis employees has also drawn up a plan to acquire United Airlines as an alternative to the pilots' bid.

A large number of buyers, including Hilton

Hotels Corp., which is unrelated to Hilton International, and Japanese and British groups, are said to be interested in Allegis's hotel chains.

Analysts have estimated that the two chains, which have been consistently profitable, are currently worth about \$2 billion. Both Hilton International and Westin are valuable for their real estate as well as for their hotels.

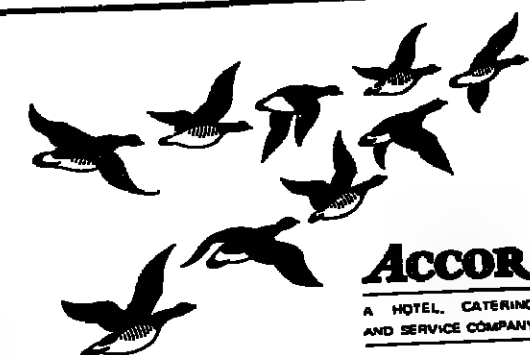
Donald Trump, a New York real estate developer who owns a small amount of Allegis stock, has reportedly said that New York's Westin Plaza alone would be worth \$750 million if it were turned into condominiums.

Marriott, which has 13 hotels outside the United States, has long been interested in expanding its international presence. Industry sources have said that the Westin hotels in Japan, Canada and Hawaii are of particular interest to Marriott.

Marriott currently owns more than 200 hotels and resorts, while Hyatt Hotels Corp. operates 80 hotels in the United States, Canada and the Caribbean. Hyatt's subsidiaries operate 41 hotels in 25 other countries.

Allegis company under Richard J. Ferris, who was forced to resign as chairman on June 9. The company's new chairman is Frank A. Olson, former chairman of Hertz Corp.

The Allegis board has said it hopes to sell off the parts of the company in a way that would maximize the company's value to shareholders. Mr. Ferris had opposed splitting up the conglomerate.



DISTRIBUTION OF FREE STOCK PURCHASE WARRANTS

On June 22, 1987, the Board of Directors of Accor voted to distribute to Company shareholders one free subscription warrant for each share held. Ten warrants give right to subscription to one ACCOR share at the price of F.Fr. 625 before November 30, 1989 or F.Fr. 700 between December 1, 1989 and November 30, 1990. The warrants have received the visa (No. 87-218) of the French Stock Exchange Commission (Commission des Opérations de Bourse) and will be listed on the Paris Bourse.

Until November 30, 1990, new shareholders through exercise of 1985 C warrants held or through conversion of the French francs 1983 convertible debentures or the U.S. dollar 1984 convertible debentures are eligible for the free warrant.

After November 30, 1990, the rates of conversion of debentures into shares will be adjusted.

This free issue is a consequence of the recent strengthening of Accor's shareholders' equity and should give both actual and potential shareholders a better opportunity to participate in Accor's expansion, while providing additional funds to finance the company's growth.

Today Accor is one of the world leaders in the hotel and restaurant industries with 600 hotels and more than 70,000 rooms, and 2,000 restaurants in 60 countries. The Group is also the world's leading issuer of service vouchers.

ACCOR, a world of new perspectives.

Toshiba Corp.: 'We're Not Toshiba Machine'

Reuters

TOKYO — Toshiba Corp. sought to distance itself Monday from a subsidiary accused of selling high technology secrets to the Soviet Union.

"We would like the U.S. government to understand that Toshiba and Toshiba Machine are different," a Toshiba spokesman said.

"They may look the same from

the outside, and there is a stock-holding relationship, but the management is completely separate."

A U.S. deputy assistant defense secretary, Stephen D. Bryen, said last week that the Defense Department had stopped approving new military contracts with Toshiba Corp. because of Toshiba Machine Co.'s alleged transfer of advanced

submarine technology to the Soviet Union in 1983 and 1984.

The ban could cost the parent company hundreds of millions of dollars in electronics business with the Pentagon.

Toshiba Corp., which owns 50 percent of Toshiba Machine, has already forced Toshiba Machine's president and four other senior officials to resign.

Japan Airport Chief Rebukes Foreign Firms

Reuters

OSAKA, Japan — The president of Kansai International Airport Co. berated foreign companies Monday for not trying hard enough to win contracts for the \$2 billion construction project, which is a source of friction between Japan and its trading partners.

"Whether Americans are putting enough effort into entering the Japanese market" is "doubtful," Yoshiaki Takeuchi said in an interview.

Several countries, led by the United States, have charged the government and the airport authority with shutting them out of the lucrative project near Osaka, which is to be completed in 1993.

But Mr. Takeuchi said it was up to foreign companies to adapt to

Japanese markets. "They should not expect Japan to change to meet their demands," he said.

"The Japanese put forth a lot of effort in trying to export," he added. "They strive hard to overcome language, culture and other differences."

"But foreign companies did not seem to put as much effort into penetrating the Japanese market," he said. "Some even believed they could enter the local construction market without speaking Japanese."

Mr. Takeuchi last week rejected U.S. calls for changes in the design teams and bidding procedures for the project.

"Unlike American firms, we have a large number of in-house

engineers," he told S. Bruce Smart Jr., the U.S. undersecretary for commerce, in a letter. "We therefore do not intend to include foreign or any other outside firms in our design teams."

In the interview, Mr. Takeuchi said that English or German-speaking technicians could not succeed if they could not speak to Japanese construction workers.

"Some foreign people have splendid ideas, but with loop-holes," he added. "At present, I think the Japanese are comparatively skilled."

But Mr. Takeuchi said that foreign companies would be given a fair chance to win construction contracts for the airport.

"If the foreign companies are intelligent, offer good products at low prices, we will welcome them," he said. "It is silly to limit the work to Japanese firms."

Earlier this month, Kansai International awarded consultancy contracts to airport authorities from Britain, France, West Germany and the United States.

American Brands In \$600 Million Offer for ACCO

Reuters

OLD GREENWICH, Connecticut — American Brands Inc. said Monday that it has agreed to acquire ACCO World Corp., a maker of office products, in a transaction valued at more than \$600 million.

Under the agreement, American Brands will soon begin a tender offer of \$29 for each ACCO share. The announcement pushed up ACCO shares by \$4.875 on the New York Stock Exchange, to \$28.375.

American Brands, a leading producer of cigarettes and liquor with its own office products subsidiary, said the tender offer is conditional upon selling the stapling product line of ACCO and two minor office product lines of American Brands.

FOREIGN & COLONIAL RESERVE ASSET FUND	
PRICES AT 164.87	
A: U.S. DOLLAR "CASH"	\$10.11
B: MULTICURRENCY "CASH"	\$14.21
C: DOLLAR BONDS	\$12.92
D: MULTICURRENCY BONDS	\$16.89
E: STERLING BONDS	\$11.95
F: DEUTSCHMARK BONDS	\$10.54
G: YEN BONDS	\$11.61
H: ECU BONDS	\$13.46
I: STERLING EQUITY	\$14.22
J: U.S. EQUITIES	\$13.46
K: JAPANESE EQUITIES	\$11.61
L: GLOBAL EQUITIES	\$12.62
M: STERLING "CASH"	\$10.31
N: GOLD	\$10.68

MANAGEMENT (JERSEY) LIMITED
14 MILCASTER STREET, ST. HELENS, L64 4JF
TEL: 0524/7171
FOR OTHER F & C FUNDS, SEE INTERNATIONAL FUNDS LIST

We are pleased to announce the election of

EUGENE J. SULLIVAN

as a member of our Boards of Directors

DCNY CORP. DISCOUNT CORPORATION OF NEW YORK

58 Pine Street, New York, N.Y. 10005

HARCOURT: Potential Stake

(Continued from first finance page)
ceeds Harcourt's available funds for dividends.

His suit also seeks to prevent Harcourt from issuing super voting preference stock to First Boston Securities Corp. and contests the June 8 conversion date for debentures as coercive and deceptive.

In a counterclaim filed Monday in New York, Harcourt alleged that British Printing failed to make disclosures required under federal securities laws.

Harcourt said that British Printing, Mr. Maxwell and the British company's majority shareholder, Bergamson Holdings Foundation,

failed to file documents with the SEC on their stake in Harcourt.

The counterclaim noted that British Printing is arguing in the Florida state courts that it is entitled to convert its Harcourt debentures into more than nine million shares of Harcourt common stock.

Rumors, meanwhile, continued in London that Harcourt was planning a takeover of Reed International PLC, the British paper and printing company.

Harcourt has refused to comment on the rumor. Traders in New York said they were skeptical of the report because it would be difficult for Harcourt to finance the takeover of another company if it carries out its recapitalization.

BANGKOK: Boom Stirs Déjà Vu

(Continued from first finance page)
ing substantial premiums to their listed prices in off-market trades among foreign buyers.

Similarly, the Bangkok Fund, which is listed in London, and the Thailand Fund, listed in New York, are both selling at 30 to 40 percent above net asset value, assuming that a seller can be found.

"If you're willing to be patient, you can still buy stock," said Marshall Auerback, director of G.T. Management (Asia) Ltd. "But it is a matter of moving slowly, accumulating a little bit at a time."

As in other small markets, foreign institutions are also branching out into second- and third-tier issues, in which supply is less of a

problem. G.T. now has positions in 20 Bangkok shares, according to Mr. Auerback, substantially more than would have been the case only a year or two ago.

Among the choices in this category are Saha Pathana Interholdings, a consumer-products group; Dusit Thani, a solid hotel listing that may be expanding its activities; and National Finance & Securities, a brokerage and finance company.

While these issues still represent value in the Bangkok market, all of them have at least doubled in price this year. National Finance & Securities, whose outlook is largely dependent on the market itself, has moved from 187 baht at the end of 1986 to 390.

The man, two of Italy's most powerful industrialists, would also form a jointly owned financial services company in which Euromobiliare would have a substantial role.

The sources estimated the cost of Mr. Gardini's Euromobiliare purchase at 18 billion lire (\$14 million).

Ferruzzi officials were not available for comment, but a spokesman said Mr. de Benedetti might make a statement on Tuesday when he addresses Olivetti shareholders.

The plan, if confirmed, would consolidate an alliance first struck last autumn that gave M. de Benedetti minority stakes in two major companies in the fast-expanding Ferruzzi agri-industrial group.

Benedetti, Gardini Boost Cooperation

Reuters

MILAN — Raul Gardini, of the Ferruzzi and Montedison SpA groups, and Carlo De Benedetti, who runs the Olivetti SpA and Buitoni SpA groups, are planning to bolster a business alliance forged last year, informed sources said Monday.

The sources said Mr. Gardini would take about half of Mr. de Benedetti's 19 percent stake in a Milan investment bank, Euromobiliare SpA, and would acquire a minority interest in Mr. Benedetti's main industrial holding company, CIR.

The man, two of Italy's most powerful industrialists, would also form a jointly owned financial services company in which Euromobiliare would have a substantial role.

The sources estimated the cost of Mr. Gardini's Euromobiliare purchase at 18 billion lire (\$14 million).

Ferruzzi officials were not available for comment, but a spokesman said Mr. de Benedetti might make a statement on Tuesday when he addresses Olivetti shareholders.

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LEVERAGED CAPITAL HOLDINGS N.V.

Curaçao, Netherlands Antilles

Notice of Annual General Meeting of Shareholders

Notice is hereby given that an Annual General Meeting of Shareholders of Leveraged Capital Holdings N.V. has been called by the Manager, Intimis Management Company N.V. The Meeting will take place at the offices of the Company, John B. Gorsiraweg 6, Willemstad, Curaçao, Netherlands Antilles on 16th July, 1987 at 10.00 a.m.

The Agenda includes, inter alia, a proposal to amend the Articles of Incorporation of the Company.

The Agenda, the proposed amendments and the Annual Report for 1986 may be obtained from the offices of the Company or from the Paying Agent mentioned hereunder.

Shareholders will be admitted to the meeting on presentation of their certificates or of vouchers, which may be obtained from the Paying Agent against delivery of certificates on or before 10th July, 1987.

Willemstad, 23rd June, 1987.

INTIMIS MANAGEMENT COMPANY N.V.

Paying Agent:
Pierson, Helderling & Pierson N.V.
Herengracht 214
Amsterdam

U.K. Airport Authority Stock To Be Sold on a Tender Basis

The Associated Press

LONDON — The government launched its privatization of Britain's state-owned airports on Monday with a novel twist of giving investors the opportunity to make individual tender offers for some of the stock.

The sale of BAA, formerly known as British Airports Authority, is expected to raise more than £1 billion, or about \$1.61 billion.

It is the latest in Prime Minister Margaret Thatcher's program to sell off billions of dollars worth of state-owned assets and to get more shares into the hands of the general public. Most recently, the government sold Rolls-Royce, the airplane engine maker, and British Airways.

In the latest sale, the government plans to offer a total of 500 million

shares to the public and institutional investors.

Most of that stock is to be sold at a fixed price, which is to be announced on July 8. This is how previous privatizations have been structured.

But this time up to a quarter of the shares will be set aside for sale through tender offers by institutional investors and individuals. These shares will be sold to the highest bidders who must offer to pay at least the same amount as the fixed price.

The government will set a secret cut-off price and will accept in full applications above that price.

Previous sales have been many times oversubscribed and investors haven't been able to buy as many shares as they have wanted.

Contact:
William Landreth, Partner
Goldman Sachs
International Corp.
5 Old Bailey
London EC4M 7AH.
Tel: 01-489-2205.



Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

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[illegible]

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 22nd June 1987

The marginal symbols indicate frequency of quotations supplied by Funds Listed) 22nd June 1987

[illegible]

Floating-Rate Notes

[illegible]

FIRST AUSTRALIA PRIME INCOME INVESTMENT COMPANY LIMITED
INTERNATIONAL DEPOSITORY RECEIPTS
issued by
MORGAN GUARANTY TRUST COMPANY OF NEW YORK

On June 5, 1987 the board of directors of First Australia Prime Income Investment Company Limited, a closed-end investment company listed on the Toronto stock exchange, announced the declaration of an interim dividend on the company's ordinary shares of US \$0.58 per share for the six month period ended May 31, 1987.

Payment of coupon no. 2 of the International Depositary Receipts will be made in US Dollars on or after July 22, 1987, to the IDR Holders of record June 24, 1987, at one of the following offices of Morgan Guaranty Trust Company of New York:

- New York, 30, West Broadway.
- Brussels, 35, Avenue des Arts.
- London, 1, Angel Court.
- Frankfurt 44-46, ...

The dividend is not subject to any Australian tax. The Belgian withholding tax will be applicable to IIR Holders presenting their coupons to the office of the depositary without the appropriate D.I.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK
Branches office, as depository.

100

Gr 1000000

Invoice/Mod.	Customer Name	Invoice No.	Invoice Date	Invoice Amount	Invoice Status	Invoice Type	Invoice Category	Invoice Subcategory	Invoice Description	Invoice Remarks	Invoice Date	Invoice Amount	Invoice Status	Invoice Type	Invoice Category	Invoice Subcategory	Invoice Description	Invoice Remarks
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Invoice/Mod.	Customer Name	Invoice No.	Invoice Date	Invoice Amount	Invoice Status	Invoice Type	Invoice Category	Invoice Subcategory	Invoice Description	Invoice Remarks	Invoice Date	Invoice Amount	Invoice Status	Invoice Type	Invoice Category	Invoice Subcategory	Invoice Description	Invoice Remarks

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Pounds Sterling

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Deutsche Marks

[illegible]

E.C.U.

71	25-08	100.10	100.00
72	16-07	99.90	100.00
73	15-07	99.99	100.00

97 (Econ)	7%	0.07	0.07	0.07
98	7%	0.07	0.07	0.07
	7%	0.07	0.07	0.07
	7%	0.07	0.07	0.07

Source : Credit Suisse-First Boston Ltd
London

1.

CURRENCY MARKETS

Dollar Rises Sharply in N.Y., Europe

Compiled by Our Staff From Dispatches

NEW YORK — The dollar surged higher Monday, making dramatic advances against the mark and yen as weakness in the British pound spilled into most major currencies. Gold and silver fell sharply.

Dealers said that the dollar's resilience of recent days reinforced speculation that it has found a near-term bottom. But they attributed the rise Monday largely to technical factors, including pre-programmed buying.

In New York, the dollar closed at 1.8470 Deutsche marks, up from 1.8393 on Friday; at 146.20 yen, up from 144.80; at 1.5350 Swiss francs, up from 1.5205; and at 6.1565 French francs, up from 6.1055.

It was also higher against the pound, which closed at \$1.5875, down more than 2 cents from \$1.6110 on Friday.

"The dollar made a very strong move," said Christopher Bourdieu, vice president in Bank of America's corporate foreign-exchange unit.

"Most people in the New York market were expecting the dollar to get stronger this week, but it all

London Dollar Rates		
Currency	Mark	Pf.
Deutsche mark	1.8467	1.8506
Pound sterling	1.5875	1.6110
Japanese yen	146.20	144.80
Swiss franc	1.5350	1.5205
French franc	6.1565	6.1055

Source: Reuters

seems to have happened in one day."

He said a rumor that Saudi Arabia was diversifying its portfolio by selling yen- and mark-denominated bonds and getting into dollars encouraged traders to buy dollars.

Another supportive factor, he said, is that dollar-linked commodity prices, especially oil, have been strong lately. Since customers purchase oil with U.S. dollars, rising oil prices signal stronger dollar demand.

Republic Bank in New York closed cash gold at \$437.50 an ounce, down \$7.50 from \$445.00 Friday. Silver plunged to \$6.73 an ounce from \$7.158 on the cash market.

In Europe, the dollar rose by more than 1 pfennig to its highest

value against the mark since March.

In London, the dollar closed at 1.8470 DM, up from 1.8305 on Friday; at 145.85 yen, up from 145.05; and at 6.1325 French francs, up from 6.1025.

The dollar was also higher against the pound, which closed at \$1.5950, more than 2 cents down from \$1.6170 on Friday, and its lowest point since mid-March.

"It's getting more as though the market believes the dollar has bottomed out," said the top trader at one U.S. bank.

"The market is more fundamentally disposed toward the dollar as well as supported by technical considerations," he added.

The pound fell fast enough to prompt the Bank of England to step in and buy sterling in a bid to steady it, some dealers reported.

Earlier in Europe, the dollar was fixed in Frankfurt at 1.8353 DM, up from 1.8258 on Friday; and in Paris at 6.1235 French francs, up from 6.0940.

In Zurich, the dollar closed at 1.5275 Swiss francs, up from 1.5202 on Friday. (U.P.I. Reuters)

Yeutter Says Export Problem No Longer Dollar

United Press International

WASHINGTON — The U.S. trade representative, Clayton K. Yeutter, said Monday that the export problem is no longer a dollar problem.

Speaking at an American Stock Exchange conference, he said that "from a price standpoint, we are tremendously competitive in most things."

"So if our exports do not begin to accelerate," he said, "the exporters of this country must search their souls for other explanations because it's not price that will prevent those exports from moving up."

"It must then be quality or service or international marketing skills, he said, added, "we must begin to focus on those elements of the export-import process," he said.

And though Mr. Powers has joined the Jockey Club and he and his wife have entertained at their home on the Peak, their presence in Hong Kong's social circuit is subtle. "I like Hong Kong," he said, "but I work very long hours and I'm very committed to my job."

But if Mr. Powers has not always displayed enthusiasm for drinking port, no one doubts his skill in law and finance. Those talents seem to have been key to his swift rise, after arriving in Jardine in April 1986 as "chief strategist."

The conglomerate was then in the process of slimming down — after some disastrous investments in real estate, shipping and oil.

Rivals for power within Jardine could not compete with a financial specialist at a time when the group was so absorbed by financial matters. Mr. Powers set to work planning a restructuring of Jardine that included spinning off subsidiaries and creating a web of corporations that own each other.

But the dollar's relative stability since the Louvre currency accord reached in February by leading industrialized nations has triggered the mild rise in capital goods investment, said an economist for one of the largest West German commercial banks.

"That allows investment strategies to be influenced by the positive fundamental factors, such as stable prices, low interest rates and good liquidity," he said.

Whether domestic demand can fully compensate for the decline in exports is questionable, however, economists said.

(Continued from first finance page)

quidians in the United States and Britain, though he says this could be a single \$2 billion deal or a string of \$100 million purchases. Mr. Keswick says he would like a major U.S. presence, and he adds that Mr. Powers might want to return to the United States in five years or so and run the American wing of Jardine.

But familiarity with the U.S. market was not the reason for choosing Mr. Powers. Indeed, his nationality may even have worked against him a little, in the clubby world of British-run Hong Kong companies. His open style has rattled some feathers here, he acknowledged.

"The business style is different," he said. "The Brits are much more civilized than Americans."

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People in Hong Kong think they work very hard. I think Brian has demonstrated that people in New York work even harder.

— Simon Keswick
Managing director,
Jardine Matheson



ics. He transferred to Yale after two years.

An economics major, Mr. Powers graduated with average grades and then went to the University of Virginia Law School, where he excelled. He graduated near the top of his class and, after a year as a teaching fellow at Stanford Law School, he became an associate in the New York law firm of Debevoise & Plimpton. He is remembered there as a hard worker and a quick study who was fortunate to specialize in mergers and acquisitions just as the wave of mergers was beginning in the United States.

After two years there, Mr. Powers accepted a job as an attorney with the Ford Foundation. However, almost immediately he was put in charge of a large investment portfolio that included venture capital and real estate.

One of his first acts was to foreclose on two big real estate developments in the belief that the foundation could run them better than the developers. Colleagues noticed that.

Mr. Powers was at the Ford Foundation when James D. Wolfensohn, an Australian-born financier, called him. Mr. Wolfensohn was planning to set up a New York investment bank, and had heard about Mr. Powers from a Debevoise & Plimpton partner. So after four years at the foundation, Mr. Powers joined Mr. Wolfensohn, becoming his chief assistant at James D. Wolfensohn Inc.

Soon after the firm opened, a man named Simon Keswick called. He was in the New York office of the Coudert Brothers law firm, and wanted to know if Mr. Powers

could help structure a deal. With characteristic bluntness, Mr. Powers asked the tai-pan: "This is a terrible question, but who are you?"

A relationship grew up between the two. Mr. Powers handled more and more Jardine business, including a complex sale of sugar interests in Hawaii that included a leveraged buyout with commercial and government financing. "That was an extraordinary piece of work," Mr. Wolfensohn recalled.

Indeed, it was one of the accomplishments that led Mr. Keswick at the end of 1985 to ask Mr. Powers if he would like to come to work for Jardine. Mr. Powers' initial response was that he was happy at Wolfensohn and that his wife, Paul,

had a job that kept her in New York.

Mr. Keswick persisted, and Mr. Powers finally arrived in April of last year, with a seat on the board and a mandate to direct financial strategy. Paula Powers, who was teaching at Columbia Law School, was willing to move to Hong Kong, and both parents thought it was the ideal time for their son, Jeremy, to live abroad. Mr. Powers has so far not studied Chinese.

As the new tai-pan, Mr. Powers will face a number of challenges. Despite diversification, a large share of the company's assets remain in Hong Kong. The property market and business climate here are volatile, even though Beijing has promised that it will allow Hong Kong to maintain its capitalist way of life for at least 50 years after 1997.

Then there is rising competition in Asia: local entrepreneurs who in the last two decades have built their own conglomerates to challenge British interests. In Hong Kong, such Chinese entrepreneurs as Sir Y.K. Pao and Li Ka-shing have often outmaneuvered Jardine in the last decade.

These entrepreneurs are potential threats, for Jardine could become an acquisition target. One reason they have gained on British interests is that they know the market better — and that could be the more true when Jardine is run by a man who is a newcomer to the region.

At the same time, he added, "we have seen overvaluing, which must be avoided. Otherwise, we'll get swamped with new entrants. Either we all behave, or we are all losers," he said.

Koji Takahashi, senior managing director of the world's largest

commercial bank, Dai-ichi Kangyo Bank of Japan, called the suggestion a "workable idea."

For the past month, Japanese banks have been under orders to report their foreign exchange positions daily to the authorities.

However, Mr. Ghyoten said that "there was no intention to restrict activities in the market."

Rather, he said, excessive volatility in exchange rates drove the Japanese government to "ask" financial institutions to take the long-term implications of their actions into account.

Karl Otto Pohl, president of the West German central bank, or Bundesbank, also called Mr. Ekman's proposal "a good idea."

Sales figures are unofficial. Yearly highs and lows reflect the previous 12 months plus the current week, but not the latest trading day, where a sell or stock dividend amounting to 25 percent or more has been paid. The year's highest range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual rates of dividend plus the latest declaration.

a — dividend also retained; b — annual rate of dividend plus the latest declaration; c — dividend declared and paid in arrears; d — dividend declared and paid in arrears; e — dividend declared and paid in arrears; f — dividend declared and paid in arrears; g — dividend declared and paid in arrears; h — dividend declared and paid in arrears; i — dividend declared and paid in arrears; j — dividend declared and paid in arrears; k — dividend declared and paid in arrears; l — dividend declared and paid in arrears; m — dividend declared and paid in arrears; n — dividend declared and paid in arrears; o — dividend declared and paid in arrears; p — dividend declared and paid in arrears; q — dividend declared and paid in arrears; r — dividend declared and paid in arrears; s — dividend declared and paid in arrears; t — dividend declared and paid in arrears; u — dividend declared and paid in arrears; v — dividend declared and paid in arrears; w — dividend declared and paid in arrears; x — dividend declared and paid in arrears; 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qv — dividend declared and paid in arrears; qw — dividend declared and paid in arrears; qx — dividend declared and paid in arrears; qy — dividend declared and paid in arrears; qz — dividend declared and paid in arrears; ra — dividend declared and paid in arrears; rb — dividend declared and paid in arrears; rc — dividend declared and paid in arrears; rd — dividend declared and paid in arrears; re — dividend declared and paid in arrears; rf — dividend declared and paid in arrears; rg — dividend declared and paid in arrears; rh — dividend declared and paid in arrears; ri — dividend declared and paid in arrears; rj — dividend declared and paid in arrears; rk — dividend declared and paid in arrears; rl — dividend declared and paid in arrears; rm — dividend declared and paid in arrears; rn — dividend declared and paid in arrears; ro — dividend declared and paid in arrears; rp — dividend declared and paid in arrears; rq — dividend declared and paid in arrears; rr — dividend declared and paid in arrears; rs — dividend declared and paid in arrears; rt — dividend declared and paid in arrears; ru — dividend declared and paid in arrears; rv — dividend declared and paid in arrears; rw — dividend declared and paid in arrears; rx — dividend declared and paid in arrears; ry — dividend declared and paid in arrears; rz — dividend declared and paid in arrears; sa — dividend declared and paid in arrears; sb — dividend declared and paid in arrears; sc — dividend declared and paid in arrears; sd — dividend declared and paid in arrears; se — dividend declared and paid in arrears; sf — dividend declared and paid in arrears; sg — dividend declared and paid in arrears; sh — dividend declared and paid in arrears; si — dividend declared and paid in arrears; sj — dividend declared and paid in arrears; sk — dividend declared and paid in arrears; sl — dividend declared and paid in arrears; sm — dividend declared and paid in arrears; sn — dividend declared and paid in arrears; so — dividend declared and paid in arrears; sp — dividend declared and paid in arrears; sq — dividend declared and paid in arrears; sr — dividend declared and paid in arrears; ss — dividend declared and paid in arrears; st — dividend declared and paid in arrears; su — dividend declared and paid in arrears; sv — dividend declared and paid in arrears; sw — dividend declared and paid in arrears; sx — dividend declared and paid in arrears; sy — dividend declared and paid in arrears; sz — dividend declared and paid in arrears; ta — dividend declared and paid in arrears; tb — dividend declared and paid in arrears; tc — dividend declared and paid in arrears; td — dividend declared and paid in arrears; te — dividend declared and paid in arrears; tf — dividend declared and paid in arrears; tg — dividend declared and paid in arrears; th — dividend declared and paid in arrears; ti — dividend declared and paid in arrears; tj — dividend declared and paid in arrears; tk — dividend declared and paid in arrears; tl — dividend declared and paid in arrears; tm — dividend declared and paid in arrears; tn — dividend declared and paid in arrears; to — dividend declared and paid in arrears; tp — dividend declared and paid in arrears; tq — dividend declared and paid in arrears; tr — dividend declared and paid in arrears; ts — dividend declared and paid in arrears; tt — dividend declared and paid in arrears; tu — dividend declared and paid in arrears; tv — dividend declared and paid in arrears; tw — dividend declared and paid in arrears; tx — dividend declared and paid in arrears; ty — dividend declared and paid in arrears; tz — dividend declared and paid in arrears; ua — dividend declared and paid in arrears; ub — dividend declared and paid in arrears; uc — dividend declared and paid in arrears; ud — dividend declared and paid in arrears; ue — dividend declared and paid in arrears; uf — dividend declared and paid in arrears; ug — dividend declared and paid in arrears; uh — dividend declared and paid in arrears; ui — dividend declared and paid in arrears; uj — dividend declared and paid in arrears; uk — dividend declared and paid in arrears; ul — dividend declared and paid in arrears; um — dividend declared and paid in arrears; un — dividend declared and paid in arrears; uo — dividend declared and paid in arrears; up — dividend declared and paid in arrears; uq — dividend declared and paid in arrears; ur — dividend declared and paid in arrears; us — dividend declared and paid in arrears; ut — dividend declared and paid in arrears; uu — dividend declared and paid in arrears; uv — dividend declared and paid in arrears; uw — dividend declared and paid in arrears; ux — dividend declared and paid in arrears; uy — dividend declared and paid in arrears; uz — dividend declared and paid in arrears; va — dividend declared and paid in arrears; vb — dividend declared and paid in arrears; vc — dividend declared and paid in arrears; vd — dividend declared and paid in arrears; ve — dividend declared and paid in arrears; vf — dividend declared and paid in arrears; vg — dividend declared and paid in arrears; vh — dividend declared and paid in arrears; vi — dividend declared and paid in arrears; vj — dividend declared and paid in arrears; vk — dividend declared and paid in arrears; vl — dividend declared and paid in arrears; vm — dividend declared and paid in arrears; vn — dividend declared and paid in arrears; vo — dividend declared and paid in arrears; vp — dividend declared and paid in arrears; vq — dividend declared and paid in arrears; vr — dividend declared and paid in arrears; vs — dividend declared and paid in arrears; vt — dividend declared and paid in arrears; vu — dividend declared and paid in arrears; vv — dividend declared and paid in arrears; vw — dividend declared and paid in arrears; vx — dividend declared and paid in arrears; vy — dividend declared and paid in arrears; vz — dividend declared and paid in arrears; wa — dividend declared and paid in arrears; wb — dividend declared and paid in arrears; wc — dividend declared and paid in arrears; wd — dividend declared and paid in arrears; we — dividend declared and paid in arrears; wf — dividend declared and paid in arrears; wg — dividend declared and paid in arrears; wh — dividend declared and paid in arrears; wi — dividend declared and paid in arrears; wj — dividend declared and paid in arrears; wk — dividend declared and paid in arrears; wl — dividend declared and paid in arrears; wm — dividend declared and paid in arrears; wn — dividend declared and paid in arrears; wo — dividend declared and paid in arrears; wp — dividend declared and paid in arrears; wq — dividend declared and paid in arrears; wr — dividend declared and paid in arrears; ws — dividend declared and paid in arrears; wt — dividend declared and paid in arrears; wu — dividend declared and paid in arrears; wv — dividend declared and paid in arrears; ww — dividend declared and paid in arrears; wx — dividend declared and paid in arrears; wy — dividend declared and paid in arrears; wz — dividend declared and paid in arrears; xa — dividend declared and paid in arrears; xb — dividend declared and paid in arrears; xc — dividend declared and paid in arrears; xd — dividend declared and paid in arrears; xe — dividend declared and paid in arrears; xf — dividend declared and paid in arrears; xg — dividend declared and paid in arrears; xh — dividend declared and paid in arrears; xi — dividend declared and paid in arrears; xj — dividend declared and paid in arrears; xk — dividend declared and paid in arrears; xl — dividend declared and paid in arrears; xm — dividend declared and paid in arrears; xn — dividend declared and paid in arrears; xo — dividend declared and paid in arrears; xp — dividend declared and paid in arrears; xq — dividend declared and paid in arrears; xr — dividend declared and paid in arrears; xs — dividend declared and paid in arrears; xt — dividend declared and paid in arrears; xu — dividend declared and paid in arrears; xv — dividend declared and paid in arrears; xw — dividend declared and paid in arrears; xx — dividend declared and paid in arrears; xy — dividend declared and paid in arrears; xz — dividend declared and paid in arrears; ya — dividend declared and paid in arrears; yb — dividend declared and paid in arrears; yc — dividend declared and paid in arrears; yd — dividend declared and paid in arrears; ye — dividend declared and paid in arrears; yf — dividend declared and paid in arrears; yg — dividend declared and paid in arrears; yh — dividend declared and paid in arrears; yi — dividend declared and paid in arrears; yj — dividend declared and paid in arrears; yk — dividend declared and paid in arrears; yl — dividend declared and paid in arrears; ym — dividend declared and paid in arrears; yn — dividend declared and paid in arrears; yo — dividend declared and paid in arrears; yp — dividend declared and paid in arrears; yq — dividend declared and paid in arrears; yr — dividend declared and paid in arrears; ys — dividend declared and paid in arrears; yt — dividend declared and paid in arrears; yu — dividend declared and paid in arrears; yv — dividend declared and paid in arrears; yw — dividend declared and paid in arrears; yx — dividend declared and paid in arrears; yy — dividend declared and paid in arrears; yz — dividend declared and paid in arrears; za — dividend declared and paid in arrears; zb

